THE LIVING AGE

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THE LIVING AGE was established by E. Littell, in Boston, Massachusetts, May, 1844. It was first known as LITTELL'S LIVING AGE, succeeding *Littell's Museum of Foreign Literature*, which had been previously published in Philadelphia for more than twenty years. In a prepublication announcement of LITTELL'S LIVING AGE, in 1844, Mr. Littell said: 'The steamship has brought Europe, Asia, and Africa into our neighborhood; and will greatly multiply our connections as Merchants, Travelers, and Politicians, with all parts of the world *so that much more than ever, it now becomes every intelligent American to be informed of the condition and changes o foreign countries.*'

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THE GUIDE POST

DR. JOSEPH GOEBBELS, editor of *Angriff*, the Berlin organ of the National Socialist Party, outlines the policies of his group in an imaginary conversation with a skeptical interlocutor. The document, published in pamphlet form, is remarkable more for its emotional than for its intellectual or factual content. It cannot be said to represent a serious or complete programme, but it does show the kind of ideas that have fired the imagination of the young people of Germany, especially those belonging to middle-class families. The tremendous emphasis given to the proletarian character of the National Socialist movement must be heavily discounted because more disgruntled workingmen have changed from Socialists into Communists than into 'Nazis.' The anti-Semitic outburst should also not be taken too literally, since the Hitlerite movement counts among its wealthy industrialist and banker supporters some members of the Jewish race.

ANGELL, Bonn, and Cassel offer an A B C of current economic issues. Sir Norman Angell, who secured his knighthood a year ago when Labor was in power, points out that a British tariff will produce fatal results in Germany and may do England far more harm than good in the long run. But, if the English are able to act on Professor Cassel's advice in time and line up all the countries that have abandoned the gold standard behind paper currencies based on a revaluated pound sterling, London may again become the financial centre of the world. Before the present crisis, Professor Cassel was always known as a 'gold bug' and he has lost none of his faith that international trade can be improved by the simple process of tampering with the currency.

ANOTHER professor, Dr. Moritz Bonn of Berlin, expresses some sound opinions on the present crisis of capitalism in general and the stock-market crisis in particular. He points out that the average middle-class investor has completely lost confidence in the present system and shows to how great an extent the depression, although fundamentally caused by economic forces, is being lengthened and intensified by purely psychological fears.

PART of the hostility that exists toward France in this country at the present moment is due to the fact that the French knew a good deal more than our bankers did about the true condition of Germany. Nothing is more irritating than to be put in the wrong, and it must be admitted that the editorial from the *Journal des Débats* entitled 'Germany Can Pay' contains some unpleasant and hitherto little-known truths about German prodigality.

REVERSING our usual process of reprinting material that has already appeared abroad, we are publishing here for the first time a remarkable article by C. N. Edge, 'The Changing Value of Man,' which is to be translated later into both French and German. Mr. Edge, a British mathematician and economist who now heads his own Stock Exchange house in New York, not only advances a profound analysis of the world depression but recommends a definite cure. A preface by Thomas L. Chadbourne, the foremost authority in the world on the production and distribution of raw materials, and a postscript by Bainbridge Colby, former Secretary of State, give his proposal the setting that it deserves. His idea, very briefly, is to tax all machinery so that agriculture and land values may benefit, for he argues that the value of man —in other words, human labor—varies exactly with the value of land and that the machine has reduced the value of land and therefore the reward of labor. In a sense, he has turned Henry George's single-tax theory upside down.

AS FRANCIS DELAISI says in his article on England, one outstanding prob-

(*Continued on page 469*)

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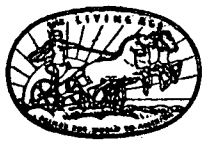
THE LIVING AGE

Founded by E. Littell

In 1844



January, 1932 *Volume 341, Number 4384*

The World Over

UNLESS Great Britain can confront the few nations that have remained on the gold standard with a united bloc comprising all states that have abandoned gold, her tariff policy is likely to accomplish what the armies of neither Napoleon nor the Kaiser were able to achieve. As Francis Delaisi points out in 'Pound and Empire,' England has succeeded for over a century in preventing Europe from uniting, but now, if she cannot organize European finances around London and a revaluated, restabilized pound sterling, taking advantage of the fact that Germany, Italy, the Scandinavian countries, and several of the states of Central Europe might be persuaded to make common cause against the French and the franc, she will find that her tariffs will be uniting all Europe against her instead of against France. The return of M. Flandin, French Minister of Finance, from an unofficial visit to London was followed by the announcement of a projected Franco-Belgian customs union. Germany, too, has protested against English tariffs and may be so weakened by them that the French will stand a real chance of arranging a favorable customs agreement with her. The following passage from *Le Temps*, semi-official organ of the Quai d'Orsay, shows how the French are already thinking:—

> What is happening now will at any rate demonstrate the practical value of the new British method of attaining the immediate end desired by the London Government, that is to say, the financial and economic revival of the country. But it is to be feared that the English are cherishing some strange illusions. The rising cost of living at home will destroy the advantages that protection is expected to bring, and the measures that other countries cannot fail to take in retaliation for the English tariff will reduce England's chances in the export market. In short, it is inevitable

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that all nations whose interests are affected by the new British economic policy will defend themselves against the position into which their foreign trade has been put by the initiative of the British, though they may try not to give way completely to a spirit of reprisal.

The *Week-end Review* urges Britain to assume financial leadership of the countries that have gone off the gold standard:—

> The idea of a group of sterling countries with their currencies linked to a common standard as an alternative to gold is making considerable headway, and it is to be hoped that at the Imperial Economic Conference next July, or if possible earlier, efforts will be made to find a workable scheme. The present haphazard exchange fluctuations are a crippling handicap to trade, and the remedy adopted in one of the Dominions of clapping 'dumping duties' on British goods is a roundabout method of strengthening imperial ties. In currency, as in trade, we must not make the mistake of putting a ring fence round the Empire on sentimental or chauvinist grounds. A sterling group, to be effective and defensible, must be open to all states that fulfill its financial conditions, whether they belong to the Empire or not. We must regard it not as a means of binding together the Empire, but as a means of breaking the intolerable monopoly of gold, whose abuse has put us where we now are.

MANY independent British voters who supported the National Government at the last election are already regretting that they were stampeded by panicky propaganda. The *New Statesman and Nation* has a few gloating words to say in this connection:—

> One well-known Labor minister who was defeated at the polls has already received four hundred individual letters of regret from constituents who voted against him. And now Professor Gilbert Murray, in a nobly expressed letter to the *Manchester Guardian*, makes a public confession of error and repentance on behalf of himself and of at least half a dozen Liberal friends. He deeply regrets supporting the National Government, denounces as a fraud the scare that the pound was in danger, expresses grave doubts about the future of international policy at the mercy of a Conservative majority, and, in short, explains in a series of beautifully phrased paragraphs that he and many others have made fools of themselves.

Here is the way Professor Murray's letter began:—

> Like some millions of other voters, I have supported the National Government and regard the result with deep disquiet. The election presented the country with a choice between two alternatives. The wireless orators painted in lurid colors the horrors of the one; few people until the day after the poll appreciated the extreme perilousness of the other. In forty years' experience of politics I remember no danger like it. It is not, of course, a danger to the pound or the budget. The panic about them was largely factitious and is now a thing of the past. The first danger is some organized form of passive disobedience.

What Professor Murray fears is revolution:—

> Parliament may be able successfully to assert its will, but let no one imagine that that will solve our difficulties. It will only make more certain at some future election the success of a Labor Party that by then may well have turned revolutionary. Six separate persons whom I met the other day in London said, 'I voted for the National Government, but next time I shall vote Labor.'

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How typical this reasoning is of the middle-class intellectual who is chiefly concerned with maintaining his own security is shown by a statement of G. D. H. Cole, who voted Labor and is proud to support a frankly class party rather than a national one:—

> I belong to the Labor Party precisely because it is, to some extent, though not so much as I should like it to be, a class party. I mean, of course, not a party whose adherents are all of one class (or I should not be in it) but a party that bases itself solidly on the defense of the working class and seeks to represent the aspirations of that class toward a different, noncapitalist society. I am under no delusion that all the workers are convinced Socialists; but I do believe that the chance of getting Socialism in Great Britain depends absolutely on getting the workers to demand it, and on using their organization and their loyalty as instruments for its making. Labor, if it became a national, classless party, would lose all its effective driving force. Indeed, it was largely because it was becoming such a party that it had to go down to defeat.

It seems that when the Gilbert Murrays feel safe in returning to the fold they will merely prepare the way for more disasters.

AS HITLER draws closer to power his reputation abroad steadily improves—in fact, whereas Hoover's statements send the stock market down, Hitler's make the market go up. The point is that it has become increasingly obvious that neither he nor the powerful industrialists and bankers who are financing his whole elaborate movement are working for anything like social revolution. The remarkable document by Dr. Joseph Goebbels that leads off this issue should therefore be read with some mental reservations, and it is safe to say that any workingman who supports the National Socialists in the belief that they will emancipate the proletariat will be completely disappointed. Here is what William Martin, foreign editor of the *Journal de Genève* and one of the best-posted journalists in Europe, prophesies:—

> People are beginning to say that Hitler is likely to be the successor of Hindenburg, whose term expires next spring. At the same time, it is murmured that, if Hitler should become president of the Reich, nothing would prevent him from keeping Dr. Brüning as chancellor. This combination has been denied, but it is not an unlikely one. If Hitler suddenly found himself at the head of the country, his first preoccupation would be to reassure foreign countries, and the only German politician who enjoys real personal credit abroad at this moment is Dr. Brüning. Whatever may come of this combination, some form of *rapprochement* is certainly being attempted in the Centrist and National Socialist press. Compliments are not yet being paid, but insults have ceased.

Meanwhile, relations between Hitler and Hugenberg are becoming strained, and an alliance between the National Socialists and the Centre Party seems indicated:—

> In other words, we are witnessing in Germany a movement that is eliminating impenitent reactionaries from the field of practical politics and is endeavoring to base the government on the two parties that really enjoy popular strength—the

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Catholic Centre Party, which is the only middle-class party that has not lost votes, and the National Socialist Party, which is the only right-wing party that has increased. A combination of these two parties seems to be the formula for to-morrow's domestic policy in Germany.

NOTHING could please the Germans more than the dispute that is raging among their creditors over the question of whether private loans or reparations shall be paid first. For one thing, the German debtors do not fear a united front of creditors, and, for another thing, the creditors are providing the debtors with excellent arguments why neither debt should be paid. The fact that Hitler announced that commercial loans would be honored, but not reparations, indicates that Germany is less troubled by the amount that she has to pay than by the psychological circumstances under which payment is to be made. German private borrowings far exceed the unconditional reparation payments to France—nobody seriously believes that another cent of conditional reparations will be paid—and neither amount is beyond the capacity of the country to provide if its economic system were allowed to function freely. The London *Times* hits the nail on the head in this connection:—

The whole question of the priority of reparations over commercial debts seems, to say the least of it, a trifle academic. Reparations can be paid only if the machinery of industry and commerce is kept revolving in a healthy condition, and the first requisite is the restoration of German credit to such a degree that Germany's commercial creditors will be able once more to do business with her on normal lines. For the moment there is no possibility of her being able to pay even the unconditional annuities in addition to the refunding of her foreign credits. And if she is placed in such a position that default on these credits becomes inevitable the consequences may be such as would not leave a single country in the world unscathed—not even France. The real question, therefore, is not whether her political or commercial debts have legal priority, but whether she is going to be permitted slowly and painfully to find her way back to solvency or whether other and graver alternatives will have to be faced.

The *Manchester Guardian*, on the other hand, definitely argues that commercial debts should come first:—

Reparations are a political debt, and it has always been clearly understood that they are payable ultimately only out of whatever surplus Germany may acquire out of her foreign trading. Apart from loans, which have come to an end now and which themselves have to be repaid some time, it is the only way in which she can conceivably make these payments abroad. If, therefore, she is forced to default on her foreign trading account because of a prior reparation obligation, she is destroying the only source out of which reparations can be paid.

Count Westarp, a former member of the German Government and a mildly nationalistic landholder, has written a long article for the *Deutsche Allgemeine Zeitung*, Berlin big-business daily, saying that the French, as experts on law, ought to know that private debts have a firm legal standing, and adds that there is no question about their being paid. Meanwhile, the French press insists that the treaties must be fulfilled to the letter.

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EVEN after the German National Socialists achieved their first sensational success in September 1930, the German Communists were still considered almost equally dangerous enemies of the Republic. But when the rank-and-file Communist voters refused to obey official instructions last summer and would not support the Prussian referendum, originated by the nationalist parties, their movement suffered a serious reverse. For what the Communist leaders had done, presumably acting under instructions from Moscow, was to urge German workers to vote against the Socialist government of Prussia, which enjoyed the support of many workingmen, and cast in their lot with the most reactionary group of nationalists. Rudolf Olden, writing in the *Berliner Tageblatt*, explains why a National Socialist victory would no longer mean, as it probably would have meant a year ago, a brief prelude to social revolution and Communism:—

> Is National Socialism the prelude to Communism? Certainly. But no one can say when the prelude will end. Anyone with eyes in his head can see what has happened in Italy and even more strikingly in Hungary. In both those countries the Nationalists are in power, in spite of a twelve-year period of nationalist futility, and the Italian Government has even survived being thrown into the arms of France by the crisis. But the Communists will not look at such obvious facts because they dream that their cause is progressing, because they are misled by the increasing support they get at the polls. If they understood the election results correctly, they would not come to the conclusion that their party had scored a triumph. For the actual increases that they have scored are small compared to the enormous increases scored by the National Socialists, and seem even smaller when one considers the tremendous uncertainty and despair that prevail in Germany.

Herr Olden then goes on to preach from a recent pronouncement by Trotski, who has criticized the futility of the German Communists:—

> Though Trotski pointed out that it was now the duty of Communists to support the Brüning-Braun régime, just as the Bolsheviki supported the Kerenski régime against General Kornilov of the White Guard, we have no idea that the Central Committee of the German Communist Party will act on his advice. In vain does he quote for the benefit of Germany what Lenin said: 'The proletariat will always be able to use to its advantage the support of the wavering petty bourgeois and even the support of the great bourgeois.' The alliance that our Communists and Fascists have entered into will last until it is too late. As Trotski says: 'It is pure folly to rush out on to the streets shouting, "Down with the Brüning-Braun régime!" when the overthrow of this régime can only mean the establishment of a Hugenberg-Hitler government.' The Communists pay no attention to Trotski, not because he is an authority, but because he is correct, because he sees more clearly from Constantinople than these strategists of 'concentrated bureaucratic stupidity' are able to see here in Berlin.

FIGURES published in the *Tage-Buch*, Berlin radical weekly, reveal that Switzerland, not France, is the chief repository of gold *per capita* at the present time and that America's holdings of the yellow metal are

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relatively small. At the beginning of 1931 Swiss banks of issue held the equivalent of 345 million marks in gold reserves, French banks 8,787 millions, Dutch banks 1,088 millions, and American banks 12,352 millions. By the first of October these amounts had changed to 1,767 for Switzerland, 10,477 for France, 1,421 for Holland, and 11,500 for the United States. More striking still is the distribution of gold *per capita* in each country. At the beginning of 1931 France and Holland had more gold *per capita* than the United States,—France having nearly twice as much,—and Switzerland had only slightly less. Here are the figures for October 1931, reckoned in marks *per capita* of the population: Switzerland, 443.19; France, 267.21; Holland, 188.81; United States, 95.69. The *Tage-Buch* interprets these figures as follows:—

> In these ten months Switzerland has imported 250 marks in gold *per capita* of her population; France, only 43 marks. Thus Swiss imports of gold *per capita* during 1931 have been six times as great as French imports, and Switzerland has increased her gold deposits 500 per cent in this period while the Bank of France has increased its deposits only 10 per cent. Yet Switzerland does not pursue an imperialistic policy. No one can accuse its hoarders of gold of cherishing any secret political ambitions. What is quite clear is that movements of gold are not determined by mysterious political motives but by purely commercial ones. The capitalist's frequently discussed and widely criticized fear is responsible. In times of crisis he wants to put his money wherever it is in the least danger. At such periods he does not care about having his property increase. He does not care about earning interest. He wants only to protect his capital. For that reason he brings it wherever it seems safest, regardless of loss of interest.

But what the *Tage-Buch* does not say is that a large proportion of the gold that has flowed into Switzerland, and Holland, too, belongs to Germans who have removed their funds from their own country and who are also depositing in Switzerland and Holland the proceeds of their favorable trade balance, which is now the largest enjoyed by any nation in the world.

SOME sections of the press in England, where anti-French sentiment is running especially high at the moment, have accused France of having supported the Republican revolt in Spain and of encouraging anti-Fascist activities in Italy and abroad. The *Saturday Review* of London, a strongly Conservative organ that just about expresses the views of the present parliamentary majority, has indulged in some particularly bitter attacks on France. One of its most frequent contributors, Sir Charles Petrie, writes as follows:—

> There can be no question but that the chief bulwark of the Spanish Republic is France, for the recovery of Spain under General Primo de Rivera gave her northern neighbor a very nasty shock indeed, and so long as the Republican régime does not become actually Bolshevist it can rely upon the support of the Quai d'Orsay. The repeated French appeals to the sanctity of treaties, and M. Briand's fantastic schemes for a European federation, cannot disguise the fact that France is a revolutionary

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power, and that Paris is the headquarters of every conspirator in Europe. For years before the Spanish Revolution the French Government sheltered any and every sort of enemy of the monarchy, just as the Italian *fuorusciti* are protected and encouraged to-day; so now France will leave no stone unturned to maintain the existing order at Madrid, partly at the insistence of the Grand Orient, and partly for fear that the restored monarchy would come within the orbit of Italy. On the other hand, the French are realists, and the moment that the Spanish Republicans prove that they can no longer 'deliver the goods' they will look to Paris for succor in vain. Not for nothing has France been termed the 'harlot of the nations.'

The editor of the same paper also suggests that France is using the pursuit of bandits in Corsica as a means of testing new weapons on the sly:—

An ugly rumor is afoot to the effect that the so-called round-up of brigands in Corsica is merely an excuse to carry out certain military operations that might otherwise arouse the suspicion of France's neighbors, and that it is affording an excellent opportunity to test new weapons. I am not in a position either to affirm or to refute this story, but I must confess that from the illustrations which have appeared in the press the forces employed look more like soldiers than gendarmes.

Curiously enough, the same Conservatives who are now railing against the French were supporting French policy in Europe during the last Baldwin ministry, when Sir Austen Chamberlain entered into a secret arrangement with France to make no objections to French land armaments in return for French support of Britain's naval policy.

POLAND'S relations with at least four of her neighbors—Germany, Lithuania, Latvia, and Russia—are far from satisfactory. Günther Stein, Warsaw correspondent of the *Berliner Tageblatt*, has written a long, eloquent dispatch pleading for a Polish-German economic treaty. He expresses the wish that Brüning might exchange visits with Zaleski just as he has already done with Laval, but admits that this would be out of the question just now. What he does feel may happen is that the two countries will be forced by the economic crisis to abandon their tariff war and to appoint a joint committee of experts to draw up a customs agreement that would be of mutual benefit. Polish differences with Lithuania date back to the seizure of Vilna, the former Lithuanian capital, by Polish troops in 1920. Since that time the two countries have suspended diplomatic relations and Lithuania has refused all offers to renew them. Lately the World Court decided that Lithuania was not obliged to maintain traffic on the one line that runs to Poland, whereupon Lithuanian orators and journalists proclaimed that the country would once again include Smolensk, Minsk, Kiev, and Brest-Litovsk, as it did when it was a feudal grand duchy. Compared with such fantastic claims, even the outbursts of Polish patriots sound moderate, and, in spite of Lithuania's real grievance over the Vilna matter, she is taking an impossible attitude. Latvia, too, has turned on Poland and, to the delight of Lithuania, has begun closing Polish schools. But Russia and Germany are the real dangers to the Polish state, which may well be

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forgiven some of its excesses at home and abroad because of the continual state of fear in which it is compelled to live.

THAT Stalin is the Russian equivalent of Napoleon and that his victory over Trotski represented the victory of counter-revolution over revolution is the thesis of a new book, reviewed in our 'Books Abroad' department, by Count R. N. Coudenhove-Kalergi. Although the parallel between the Russian and French revolutions is far from perfect, recent developments in Russia do bear out the Count's theory that Stalin is directing a gigantic trust that is concerned more with continued and successful operation than with consolidating or extending the proletarian revolution. Especially in its farm policy, the Soviet Government has given increasing encouragement to individual effort. We have already pointed out that the government first made a special allowance to peasants who brought live stock of their own into the collective farms and then proceeded to pay all laborers by the hour. Now it appears that a considerable amount of contraband selling is being done by noncollectivized peasants to members of the collective farms, who have had to give up too much of their produce to the state. Nor is this all. The state itself has indulged in contraband trade. So-called 'Soviet Bazaars' have been established in the villages, and not only individual peasants but collective farms sell their goods in an open market. The most important result of this condition is that the collective farms are now becoming autonomous economic groups and the collectivized peasants are turning into collectivized *kulaki*. New rivalry between the industrial proletariat and the farming population is likely to ensue.

GREECE has been feeling the effects of the world crisis along with the rest of Europe, and for five special reasons. First, the price of tobacco dropped from 72.5 drachmæ per kilogramme to 58 drachmæ during the first six months of 1931. Secondly, Germany, which bought one-third of the Greek tobacco crop in 1930, bought only a quarter in 1931—and at lower prices. Thirdly, England's abandonment of the gold standard caused many Greek banks to fail, because most Greek investments are placed in English companies or in companies financed in pounds sterling. Fourthly, Greek emigrants to the United States are sending home less money than they did before the crash. And, fifthly, the refugees who came over from Asia Minor after the war with Turkey have not yet been assimilated. The Venizelos Government has attempted to cut expenses and has set up an emergency reserve of between 250 and 300 million drachmæ drawn from last year's budget surplus. The royalist opposition to the present dictatorial government blames the predicament of Greece entirely on Venizelos, who brought the nation into the war on the Allied side and who has always worked closely with the English. The fortunes of the present Greek government therefore depend largely on the prestige of England in Europe.

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THE Archbishop of Canterbury, Cardinal Bourne, and Dr. Scott Lidgett, as representative of the Evangelical Free Churches of Great Britain, have appealed to the British Government in behalf of the Christian minorities living in Irak. Politically as well as religiously the gesture is opportune, for England is about to surrender her mandate to Irak and perhaps feels the need for some moral justification for maintaining a measure of control. The present policy of the Iraki Government is to swallow up all minorities, and the result is that the patriarch of the Assyrian Church has no ecclesiastical residence and his bishops have no sees. The people have been reduced to extreme poverty and the Church organization has fallen apart. The Uniat Chaldean Church, which emerged intact from the War, is now trying to prevent the Iraki Government from getting control of its schools. The League of Nations supports the Iraki Government, but the Chaldeans and Assyrians have appealed to the British sense of fair play. That sense is most likely to be awakened if the new government makes any trouble in the Mosul oil fields, where British, French, and American interests are equally represented.

PUBLICATION in the *China Critic*, a Chinese Nationalist weekly, of the complete text of a memorial supposedly presented to the Emperor of Japan by former Premier Tanaka on July 25, 1927, has caused an international sensation. Although Baron Tanaka's party has now fallen from power, the activities of the Japanese army in Manchuria seem to represent a fulfillment of his scheme to the letter. Briefly, he advocated Japan's seizing Manchuria as a preliminary step toward world conquest. Here are some particularly choice morsels of the memorial:—

> In carrying out this policy we have to face the United States, which has been turned against us by China's policy of fighting poison with poison. In the future, if we want to control China, we must first crush the United States, just as in the past we had to fight the Russo-Japanese War. In order to conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we succeed in conquering China, the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights.

The following words will probably not be indorsed by American bankers and industrialists who have advocated letting the Japanese run Manchuria with American money:—

> Chinese, Europeans, and Americans should be invited to invest money in the South Manchuria Railway on the condition that we have a plurality of its stocks. In that event the control of the company is in our hands, and our mission from the empire can be discharged more vigorously. In short, by inviting international participation in the South Manchuria Railway, we can blind the eyes of the world. Having achieved that, we can push our advance in Manchuria and Mongolia at our will, free ourselves from the restraint of the Nine-Power Treaty, and strengthen our activities in that country with foreign capital.

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The following passage reads like a prophecy of what has happened in recent months:—

> The way to gain actual rights in Manchuria and Mongolia is to use this region as a base and under the pretense of trade and commerce penetrate the rest of China. Armed by the rights already secured, we shall seize the resources all over the country. Having China's entire resources at our disposal, we shall proceed to conquer India, the Archipelago, Asia Minor, Central Asia, and even Europe. But to get control of Manchuria and Mongolia is the first step, if the Yamato race wishes to distinguish itself on Continental Asia. Final success belongs to the country having food supply; industrial prosperity belongs to the country having food supply; industrial prosperity belongs to the country having raw materials; the full growth of national strength belongs to the country having extensive territory. If we pursue a positive policy of enlarging our rights in Manchuria and China, all these prerequisites of a powerful nation will constitute no problem. Furthermore, our surplus population of 700,000 each year will also be taken care of. If we want to inaugurate a new policy and secure the permanent prosperity of our empire, a positive policy toward Manchuria and Mongolia is the only way.

Whether or not the document is genuine, it certainly expresses the desires of the military clique, whose pretensions and vanity are increasing in proportion as their power and popularity are on the wane.

WHEN such an intelligent radical weekly as the *New Statesman* of London begins a leading editorial with this question, 'Who would guess from reading the English or French press that Japan has violated her treaty obligations just as flagrantly and indisputably as Germany did in 1914?' one cannot help wishing that the champions of peace would be a little more realistic. For not only has the *New Statesman* itself repeatedly pointed out that Germany's violation of Belgian neutrality amounted to nothing compared with the danger to England that a German army possessing the Channel ports represented, but the whole civilized world has learned, in the past eighteen years, to acquire a healthy suspicion of 'scraps of paper' and a healthy respect for brute force. Yet those who oppose the Japanese occupation of Manchuria continue to rest their case on legal grounds. Naturally, the Far Eastern press takes a different attitude. The *China Weekly Review*, a liberal American-owned weekly published in Shanghai, criticizes the Japanese attitude toward Russia on practical grounds:—

> If Japan is looking for trouble in Manchuria, she seems to be going out of her way to irritate the one power that is in a position to strike back seriously and immediately. It is to be doubted whether Russian foreign policy can tolerate the presence, as a permanent resident, of an imperialistic power in Manchuria. A few more foolish moves by the Japanese War Office, still being driven with a loose rein or no rein at all, and the present dispute in Manchuria will become a triangular one. If that happens, 'storm over Asia' will be no idle phrase, and the destruction of peace in the East would mean destruction of the peace of the world. Japan by continuing to play the fool can endanger world peace; by bringing her militarists to a sense of their responsibility she can regain the respect of the world and ease a

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definitely dangerous and threatening situation and restore peace and confidence in the Orient.

This is not the only instance of the folly of the Japanese. Their weakening domestic position and the effects of the Chinese boycott are making the outcome of their adventure increasingly dubious. The *Week-end Review* of London advises the League of Nations not to overestimate the strength of Japan:—

> To demand the firmest measures against Japanese defiance of the League is not to deny that Japan has defensible interests whose protection must be arranged for. If ambassadors have to be withdrawn from Tokyo and economic sanctions applied, it will be in the interests, not primarily of China, but of the League. To be weak would be a blunder in expediency as well as in ethics, for Japan is precariously clinging to gold, burdened with unemployed, and in a poor position to have her bluff called.

THE ATTEMPT of certain Japanese pearl divers to become permanent residents of Australia has brought into the open one of the chief causes of Japan's penetration into Manchuria. Like the United States, Australia refuses to allow members of the yellow race to settle within its borders and has taken the most elaborate precautions to uphold this policy. But since Japanese pearl divers possess greater skill at their work than whites, they are permitted to operate in Australian waters under severe scrutiny. Each employer must post a bond of £100 for every diver he engages, and the Japanese are not allowed to go in for pearling on their own account. This, however, has led certain 'low' whites, as they are called, to lend their names to Japanese-owned organizations, which have begun to win control of the industry at Broome in Western Australia. The Japanese, who have accumulated wealth and power and secured the best divers, began circulating petitions among the whites asking that they and their laborers might stay in the country beyond the six-year limit now fixed by law. But the Home and Territories Department of the Commonwealth refused to allow even a few Japanese to become permanent residents.

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Adolf Hitler's foremost publicist expounds the doctrines of National Socialism in dialogue form. Here is the essence of the Germany of to-morrow.

What Hitler Will Do

By Dr. Joseph Goebbels

A Translation of *Der Nazi-Sozi*, Questions and Answers for the National Socialist. Published by the National Socialist Party of Germany

'Don't trouble me with politics,' says the average German; 'it is a fraud and a swindle, nothing more. After the Revolution the public could be inflamed by slogans, but those days have passed. We are cleverer than we used to be. I no longer believe in such deceptions. I go to work and pay no more attention to politics. I've had enough.'

'In that case,' the National Socialist replies, 'our common enemy, call him what you will,—capitalism, the Jews, democracy, parliament, or Marxism,—has attained his end.'

'How so? I don't quite understand.'

'He wishes the German people to ignore politics. We are to drudge, toil, and slave—and then the Jew will make his own politics.'

'You are relentless. But let me ask you whom I should trust to-day. Name me one party, either right or left, that has n't overstuffed us with phrases and promises since 1918 and that really means to make good any of its promises, even in the remote future.'

'You are right. All parties have deceived and betrayed the people. Not one has acted honorably and tried to achieve in practice what it proclaimed in theory. They have recognized the people only on election day. But are these parties the same thing as Germany? And is the disillusionment that arises from their betrayal of us the same thing as despair for the future? If the parties are evil, away with them!'

'Oh, no. It is too late for that. We no longer have the courage, belief, and determination to proclaim our desire for a new Germany.'

'You would do better to say "I" and not "we," for *we* have the courage, belief, and determination. How about you? What do you think of the future?'

'There is one factor in which I have a spark of hope—economics. I believe that the indestructible creative power of the German people will finally operate successfully. Work, economics—that is our destiny. We must work more and talk less.'

'Good. I advise you to preach that gospel to our millions of unemployed. Like a voice crying in the wilderness,

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tell them, "We must work more and talk less." Perhaps the insanity of such trivial remarks will be revealed to you more clearly than I can reveal it now.

'"Economics is our destiny." That was what Walter Rathenau said when he formed the first huge trusts that made the German process of production part of an international syndicate and subordinate to American high finance. You believe in economics. But is n't economics intimately bound up with politics in the life of a people? Name me any nation in history that achieved or even maintained a productive economic system without a sound, purposeful policy; and then name me any nation with a clear, instinctively sound policy that was not able, through this policy, to achieve an economic system that assured the existence of its people.

'Your point of view is utterly nonsensical. The only people who can maintain it are corrupt Jews and stupid Germans. The destiny of a people is not economics but politics. Sound politics necessarily create sound economics. A sound economic system is unthinkable without the firm foundation of a strong political policy. Finally, it is impossible to dignify with the word "policy" the things that our present so-called German statesmen are doing.

'Political policy means responsible activity in the service of the people. Its purpose is to provide the people with conditions that enable them to maintain life on this hard earth of ours, protect themselves, procreate their kind, and guarantee freedom and bread to their descendants.'

'And will your movement, supported as it is by callow young people who are inexperienced in life, further such a policy? Will you prevail by resorting to excesses and falsehood, street fighting and a reign of terror directed against all those who disagree with you?'

'Yes, indeed. That's just what we shall do. But let me make a few little corrections. If our policy is being put through by callow young people—we call them the youth of Germany—it is because we are full of proud joy that German youth has found the way out of the poisonous present into the new Germany. We do not care whether this youth is callow or not. You are not callow, but you do not understand the significance of politics. I know plenty of eighteen-year-old boys in our storm battalions who could put you to shame. We don't advocate a violent policy, but when violence is necessary we are not too cowardly to resort to it. The bourgeois raises his voice against violence, perhaps because no one is willing to use it in behalf of his state. Furthermore, we resort to terrorism when we are opposed by terrorism. We go out into the street and fight the terror with our fists. We put in practice the theory of power and attack the bourgeois class state.'

'THAT means you are a party of class warfare. In the beginning you called yourselves a labor party. That was the first step. Then you called yourselves a socialist party. That was the second step. Now you attack the bourgeois class state. That is the third and last step. What is there, then, that distinguishes you from the Marxians?'

'There is nothing more disgusting than a fat, well-fed bourgeois protesting against the proletarian theory of the class struggle. He came through last winter all right. Therefore, his very person is a summons to class war. Why does he assume the right to attack the class struggle of the proletariat and to swell out his chest with national responsibility? Has n't the bourgeois state for nearly sixty years been an organized class state containing within itself the historic necessity of proletarian class warfare?

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'Yes, we call ourselves a labor party. That was the first step, the first step away from the bourgeois state. We call ourselves a labor party because we want to free labor. We are convinced that productive labor is what makes history move forward, because work means more than education, property, social position, or bourgeois ancestry. That is why we call ourselves a labor party.

'Yes, we call ourselves socialists. That was the second step, the second step away from the bourgeois state. We call ourselves socialists as a protest against the lies of the social bourgeois sentimentalists. We don't want any sympathy. We don't want any social sentimentality. We despise the kind of rubbish that is known as social legislation. We want the justice that is ours by nature and by right. We want a full share of the yield that the heavens give us and that we create with our own hands and minds. That is socialism.

'Why do we speak of the bourgeois state? Because this bourgeois state has become a class state, pure and simple. Because sacrifice and will power have no value in this state. Only education, property, and tradition count. We attack the bourgeois state because it has counterfeited the most holy thing in the life of a people, to wit, love of one's own kind. It has fostered a low desire for property, although seventeen million German-feeling, German-thinking proletarians can never possess any property. What the bourgeois wanted is insignificant. What he has created is important. Maybe he wanted a strong Germany, but what did he create? An international slave colony that was ready to collapse on November 9, 1918, under the assaults of the destroyer. That is the truth. We protest against the idea of the class struggle. Our whole movement is a single grandiose protest against the class struggle that has isolated our nation historically. But let us call things by their right names. If seventeen million proletarians on the left see their last hope in the class struggle, they feel as they do only because of what they have learned from sixty years of experience with the forces of the right. How shall we be able to attack the proletarian theory of the class struggle if we do not first annihilate the bourgeois state at its foundation and build up a new socialist German community?'

'And who will help you to destroy the old system and build the new one?'

'We trust in the sound instinct of the creative German people. Eventually the day will come when even the last man will see clearly. Once our hands and minds are aroused to protest, we shall be able to attack and pass judgment. We shall do everything we can to make sure that this will happen soon.

'Then we shall all find ourselves, both the manual and intellectual laborers. Then we shall see who really loves his Fatherland beyond party and class. Then the young workers of the future will build the Third Reich. Then every callow youth will speak the decisive word, and wisdom and experience will fly like spray before the wind. Then we shall take Germany's destiny in our hands. Then we shall solve the question of socialism radically and decisively, unconcerned by tradition, education, property, background, or class, thinking only of the future of the creative German people.

'Then we shall show that nationalism is something more than a comfortable moral theology of the property-owning middle class and of the capitalist profiteer. From the poisonous wastes of defeat a new nationalism will arise as the most radical form of popular self-defense, and, at the same time, a new socialism will emerge as the most conscious creation of the requisite conditions.'

'You praise socialism. But isn't

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the German worker right in despairing of socialism and of the future of his class after his sixty-year struggle for socialism, which has ended in the complete bankruptcy of his civic ideals?'

'Not at all. For, in the first place, the German worker has not struggled for socialism for sixty years, but for Marxism, whose theories destroy races and nations and are the complete antithesis of living socialism. Marxism was never the ideal of the German worker, who accepted this waste of Jewish theory only because he had no other means of fighting for the freedom of his class. Marxism not only digs the graves of nations; it also destroys the class that fights most vigorously in its behalf, the working class. The worker, therefore, does not have the right to despair of socialism, but the duty to despair of Marxism.'

'YOU make a great deal of the fact that you are against the Jews. Is n't anti-Semitism an outworn theory in the twentieth century? Is n't the Jew a human being? Is n't it a bad sign if sixty million of us fear two million Jews?'

'Listen. Try, for once, to think logically. If we were only anti-Semites, then indeed our creed would be out of date in the twentieth century. But we are also socialists. As far as we are concerned, Jews and socialists are not identical. Socialism—in other words, freedom for the German proletariat and therefore for the German nation—can be attained only against the Jews, and because we desire the freedom of Germany and desire socialism, we are anti-Semites. Of course the Jew is a human being. No one of us has ever doubted that. But so is the flea a kind of animal, though not a very pleasant one. And, since the flea is not a pleasant kind of animal, is it not our conscientious duty to protect ourselves against him and to kill him when he bites and annoys us so that he will not do us harm? The Jews should be treated in the same way.

'It is not a bad sign for *us*, but for *you*, that sixty million Germans fear two million Jews, for *we* do not fear these two million Jews. We fight against them. But you are too cowardly to join in this fight and merely beat about the bush instead. If these sixty million would fight against the Jews, as we do, then they would not need to be afraid any more. But the Jews would be full of fear.'

'Now you must show your colors. Are you monarchists or republicans?'

'Neither. We regard the form of the state as unimportant. A nation that was ruined by the Versailles Treaty has more important matters to decide than whether to be a monarchy or a republic. That question should be decided by the people when they are free. But, fundamentally, we say this. A good republic is better than a bad monarchy, and a good monarchy is better than a bad republic. Each form of government has its advantages and disadvantages. To weigh the two is the task of a free people.'

'Every party has its programme. What is yours? If you want to win over the German worker, what do you offer him?'

'Our programme is short and simple: freedom for the productive German people. The way is clear and simple: freedom for the German worker and his restoration into the body of the nation. Every means is justified to achieve this end. We do not reject social revolution if it brings freedom to the nation. We do not fear breaking the chains that have been laid on the nation if we must break them to make sure that the German worker shall enjoy the necessities of life.

'We promise the German worker nothing but this—that we shall fight

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with him to the last gasp for his right to live, regardless of what this fight costs or what may come of it. We offer him the highest thing that can be offered to a people and to its oppressed classes, the fight for freedom and bread.'

'What must the German worker do?'

'Nothing ever came out of nothing in this world. The worker must remember that if he wants to be free he must sacrifice himself. No one will make him free. He must do that for himself. Since freedom is the highest good, he must be willing to sacrifice everything for it, even his life.'

'Is n't Marxism perhaps correct when it asserts that the National Socialist Party is a petty bourgeois movement led by broken-down officers, students, and teachers? How can the worker believe that you want to free him? Will you be able to rid him of the conviction that the worker can be freed only through the worker?'

'You have spoken much nonsense in a few words. Listen. The National Socialist Party is not a petty bourgeois movement, but, on the contrary, is a protest against the transformation of socialism and social democracy into bourgeois movements. Our leaders are not petty bourgeois. Socialists like Scheidemann, Leinert, Noske, and Bauer were petty bourgeois, though they have now become members of the upper middle class.

'You ask how we can free the workers. First, the worker must free himself from those presumptuous, Jewish liars and eject them from the labor movement. They attack the real labor leaders and are actually betraying the labor movement for their own low purposes. Then look about you. Has the worker ever found another worker who could free him? No. The so-called leaders are men like Scheidemann, Wels, Noske, and Bauer. They have all become thick, fat bourgeois. They only fought against the middle class because they were jealous of it, and when they became bourgeois themselves the fight and the jealousy ceased.

'The German laborer and the convert from the middle class should stand side by side as leaders of the German labor movement. For the convert has transcended his class consciousness and does not fight because he is jealous but because he hates a class that has brought Germany to the brink of ruin. He has not turned to the proletariat in order to become bourgeois but has been led by a deep inner need to find the path leading to the creative powers of the German people. This type of man will hold out his hand to the German worker, and his mind and hand will create the miracle of the future, the Third Reich.'

'If I understand you rightly, this means that the National Socialist Party is a proletarian party with bourgeois leaders?'

'I have already noticed that you are able to think only in terms of a dying epoch. The Germany that we want will overwhelm all these outworn ideas. We are neither bourgeois nor proletarian. The conception of the middle class is dead, and the conception of the proletariat will never again come to life. We will have none of the bourgeois world that is now decaying, nor do we want the proletarian Marxian future for which the Jews and their followers are now fighting. We want a Germany of workers. We want a Germany in which work and sacrifice are the highest political and moral values. Therefore, we are to-day a labor party in the best sense of the word. Once we have gained control of the state, then Germany will become a labor state, a state of workers.'

'THOSE are fine words, but tell me what lies behind them. Or are you

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going to continue to conceal your thought behind phrases?'

'Not at all, my friend. Understand me rightly. The future Germany will be rebuilt from the ground up. It is a mistake to believe that the middle class, as a class, can create this new productive labor when it is likewise the guardian of the state against which all these new efforts will be directed, namely, the middle-class Germany of to-day. Of course, that does n't mean that members of the middle class cannot coöperate in building the new Germany, but the middle class, as such, has played its historic rôle and will have to give way before the creative spirit of a younger, more healthy class.

'In its place, this young class,—we do not call it the proletariat because that would be an insult to the German worker,—this working class will include everybody who works for the future of Germany with hand or brain. The hand is linked to the brain and the brain will maintain itself through the brutal, creative power of the hand and thus construct the new German state. This coöperation between brain and brawn will weld the mental and manual laborers into a single whole. But, as long as German workers are led by Jews, their front will be weakened by the false cry of internationalism. All German workers, mental and manual, must unite.'

'In other words, you want to oppose Marxian internationalism with the national spirit of German socialism?'

'Quite so. At last we are beginning to understand each other.'

'But you must answer one more question. If I have understood you correctly, the enemy, whether we call him the Jew or the capitalist, thinks and feels in international terms. Therefore he can be opposed only with international weapons, and the final outcome of this struggle will be a socialist internationalism that will completely and eternally replace capitalist internationalism.'

'We recognize clearly that the international enemy is breaking the backs of the European nations. There is hardly any national capital left in Germany. Our railways, mines, factories, money, gold, and the Reichsbank have all been transformed into stock certificates that lie in the treasuries of the Jewish banks of London and New York. But shares are worthless in and of themselves. They do not run on tracks; they do not extract coal; they do not produce bread or goods; they make no money and mine no gold. They are able only to skim off interest. If we had a real German state, it would declare null and void all German securities held in Jewish banks. It would treat them like so many scraps of paper and would summon into existence in Germany a government of national labor. Since we have not got such a state, we have had to fall to the level of a Dawes colony. In such a position, there is no such thing as popular wealth or national capital belonging to the people and the nation. Everything is in the power of an international banking syndicate.

'Of course, we must fight against this international world power, and we should be very shortsighted if we did not support similar movements in other countries that are fighting on our front. But the purpose of this battle never has been, and never will be, the world republic of socialism. That has never existed and never will exist. It lives only in the brains of Jewish labor traitors and misled German workers. Our goal is the foundation of a new national, socialist state. We play no part in the fight that nations are making through international channels against the international forces of gold. We recognize all the limitations of the various nations that prevent a common understanding. Furthermore, interna-

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tional capital will never be so stupid as to enslave all nations in the same way and at the same time. They will be enslaved one after the other, and, therefore, one nation does not think of another, since it believes it can save itself only through its own efforts.

'Finally, my friend, we have no time to wait for the rest of the world. We are facing the last, complete collapse, and it would be foolish to expect the aid of other nations who have never helped us yet and give no evidence that they will help us in the future. Therefore, our motto is, "God helps them that help themselves."'

'Well and good, but now show your colors. So far, you have only been skirmishing. Now comes the decisive, cardinal question. What do you think of the solution of the social problem?'

'The solution of the social problem is nothing more or less than the reinstallation of the dispossessed element into the framework of the state. In order to achieve this aim, we make the following demands:—

'Everything that nature gave the people,—land and soil, fields, rivers, mountains, forests, the wealth below the earth and the wealth above,—all this belongs, in principle, to the people as a whole. When an individual possesses this wealth he must feel himself in duty bound to administrate it for the good of the nation. If he administrates it badly or against the interests of the community as a whole, then the state has the right to take this wealth away from him and restore it to the community.

'Production, in so far as it concerns human strength, skill, inventiveness, enterprise, and originality, is to remain in the hands of the individual. The state guarantees that every creative producer, whether a hand or a brain worker, shall enjoy the largest possible share of the output and profits of this production.

'All production that is fundamentally perfected, that does not need any fresh strength, skill, inventiveness, enterprise, and originality,—in other words, railway systems, trusts, and so on,—shall revert to the possession of the state. Thus the great circle of production is closed, and every creative worker is made responsible. In carrying out this programme, we free labor from the chains of wage slavery. Our aim is a free people with a free economic system on free soil and land.

'It is an old historic law that a young party which knows what it wants and which overthrows the rule of a corrupt and inwardly rotten system takes over the state and its instruments of power for a certain length of time in order to bring about, through a self-conscious, responsible dictatorship, those conditions that are necessary to carry through the new idea. This will be the case with us. Once we have taken over the state, then that state becomes our state; then we, and we only, are the responsible representatives of that state. Though to-day we are a party and must be a party, fighting against a dead system,—though not, of course, a parliamentary party,—we shall ourselves become the state the moment this system falls. Then we shall mould the state in accordance with our own ideas.

'We want to make Germany free, nothing more. But a large portion of the German people has become so materialistic and cowardly that it can be made happy only against its will.'

'So far, well and good. But even you cannot pretend that the dictatorship will be permanent. Something else must come afterward.'

'Of course. And here, too, we have thought the thing out and announced our desires. We do not want to exclude the people from leadership. We only

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want to fight for, and establish, the only conditions that can possibly assure their life on this planet. Once these conditions have been won and established, then our task is fulfilled, then we shall have our National Socialist state.

'The party parliament of democracy will be replaced by the economic parliament of the National Socialist state. This will be elected by the whole of the working German populace, who will all enjoy the same voting privileges. But in this voting the people will not be divided into parliamentary-democratic parties but into the various professional groups that exist in the community. The economic parliament will decide economic, not state, politics. Side by side with this will stand the senate. It will include two hundred individuals summoned by the dictator from all ranks and classes to lead the nation. These two hundred will represent the *élite* of the whole people. They will support the government with advice and action. They will serve for life and will be self-perpetuating. The chancellor will be elected from the senate. He will bear full responsibility for the whole policy of the Reich at home and abroad. He will be ready to give his life for this policy in case of need. The chancellor will appoint his own ministers and assistants. For them, too, he will assume complete responsibility and will exercise the powers of dismissal and appointment as he pleases. It is immaterial whether this government is headed by a president or a monarch. The chancellor is the decisive figure, and we shall see to it that he will be a fine man.'

'You are the eternal disturber of peace. You don't want quiet and order, but struggle. War is your idea of ultimate wisdom.'

'Now you are almost weeping. When you speak of peace your eyelids quiver. Is this peace that we are preserving to-day? Is this peace, when millions of men lie in the streets without work, without bread? Is this peace when children go hungry, when the people are reduced to beggary, when this blooming land of Germany has been made to look like a desert? What we have lived through since 1918 is nothing but war, and this war is becoming more extensive and brutal every day. Read the international stock-exchange reports. They are like military dispatches from the general headquarters of the economic struggle. Look at the German workers and their families. They are the dead and wounded in this war.

'That is your peace, the peace of a cemetery. Your orderliness is the rigor of death. No, my friend, we want none of this. Instead we proclaim struggle. We want to arouse the people and summon them to break the chains that the Jews have laid upon us. When a whole nation is dying, only struggle will bring real peace. Power, not justice, is the eternal principle of nature. Therefore we want to steel our people so that it can continue to fight for existence on this earth.'

'And what will the end be?'

'The end will be the freedom of the German people on German land and soil. This freedom will ensure bread and life to every productive German. It will contain within itself the moral and spiritual forces that will go into the building of the new century. We want to make this freedom into something more than a new system. We want to make new men who by living under the conditions for which we have fought will develop a better attitude toward the world. The future will be ours or it will not exist at all. Liberalism is dying that socialism may live. Marxism is dying that nationalism may live. Then we shall form the new Germany, the nationalist, socialist Third Reich.'

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The British tariff, the crisis of confidence, the gold standard, and German payments are discussed by four experts, English, German, Swedish, French.

ISSUES *of the* Hour

By A MIXED QUARTETTE

PAPER OR GOLD?

By PROFESSOR GUSTAV CASSEL

Translated from the *Neues Wiener Tagblatt*, Vienna Conservative Daily

AT THE present time not all nations are trying to maintain the gold standard under all circumstances. Quite a number of states have adopted paper currencies, even in making payments to each other, but almost all of them have made this move without having any clear conception of the stable kind of currency they all want to establish eventually. The various paper currencies are not tied up to each other in any way, and any reckoning that has to be made between them is therefore subject to unforeseeable deviations. World trade cannot continue if this situation lasts permanently. The question therefore arises whether it is not possible to link the various paper currencies together in a single paper system that will possess sufficient stability.

It is true that people are inclined to consider paper money as simply a bad kind of money, and they may even claim that a currency based on nothing but paper, or a system of paper currencies with fixed relations to each other, is nonsense. Yet the fact is that many nations, some of them at a high peak of economic development, have adopted paper money. This must be clearly recognized and accepted without prejudice if we are to overcome the present currency crisis in the near future.

Above all else, we must not swallow the widely circulated theory that a general return to gold would be easy and could be accomplished without any special sacrifice. If world trade is again to be conducted on a gold basis, several essential steps must be taken which must be carefully listed and, if possible, applied at once on an international scale. Let me mention a few of the most important preliminary measures.

First of all, the war-debt problem must be decisively solved in accordance with the laws of economic necessity.

In the second place, world trade must be brought back to something like normal conditions, at least to suffi-

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ciently normal conditions so that payments of interest and dividends on foreign loans can be paid for by means of exported goods.

In the third place, guarantees must be given that the channels through which the various currencies find their true balance will not be blocked and that the movements of gold will not be hindered so that all the gold in the world will accumulate in one country. If this does not happen, gold will lose its normal function as a regulator of prices on the world market. It is certainly true at the present time that an international gold standard cannot be reëstablished so long as gold currency is used as it has been during the last few years.

In the fourth place, the world must resolve to adopt a united policy of saving gold, definitely laying aside a certain stock of gold as a basis for currency. The chief aim of this policy must always be to prevent an unnecessary and eventually disastrous rise in the value of gold.

As long as these conditions are not fulfilled, a general return to the gold standard is not conceivable and, even if it could be accomplished for a short time, it would be a useless and dangerous move. The increasing scarcity of gold would inevitably lead to further deflation and to an unbearable intensification of the present economic crisis. It is almost certain that no nation that returned to the gold standard could remain on it for long if the conditions outlined above had not been complied with. Without them, an international gold standard would not assure security to world trade, and that is its only excuse for existence.

IF WE remember the above-listed conditions, we shall recognize that the return to gold will require considerable time, several years, by even the most optimistic reckoning. In this connection, it should also be remembered that quite possibly one of the necessary conditions may not be fulfilled, and for that reason a permanent return to the gold standard may prove utterly impossible. Therefore, those states that are now in difficulties should seek to adapt themselves to present circumstances and not wait for the gold problem to be solved. For these circumstances to be made as bearable as possible, coöperation on the part of nations with paper currencies is now imperatively necessary, coöperation that chiefly demands the aid of those countries with sound economic systems. The immediate aim of countries now on paper currencies should be to stabilize the domestic purchasing power of their currencies within certain limits. To renounce the gold standard is something utterly different from inflation. The fact that a state goes off the gold standard does not mean that it has automatically embarked on inflation or that it has depreciated the domestic value of its money. No. It has simply refused to embark on the deflation which prevails in gold-standard countries and which is the result of the constant struggle for gold. A joint announcement issued by the most sound and important nations with paper currencies that this, and only this, is their policy would be of great value and would restore much destroyed confidence. Perhaps some states on a paper basis will find it necessary, in order to stabilize their currencies, to raise the price of goods and bring prices and wages into a condition of comparative equilibrium. In such cases they must decide in advance what price level they plan ultimately to stabilize on, so that their currency will not become a football to be kicked about by unknown powers, but will represent a definite factor in a definite policy.

Suppose that some states decide to

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coöperate on some such plan for stabilization. How will they be able to develop a firm international measuring rod for their currencies? The only happy solution of this problem is for England definitely to stabilize the pound. As soon as that happens the other nations on a paper basis merely have to decide where to fix their currencies in relation to the pound. From a practical point of view, such an international currency policy would function just the way the gold standard did before the War, and the nations that have remained on gold would not need to doubt the stability of British currency. Nothing new would be involved here, nothing experimental. If England will assume responsibility for maintaining the purchasing power of the pound at a fixed rate, then we can all reckon on the paper-currency system's functioning well. Such a plan would undoubtedly lead to an international currency system based on sound foundations. Destroyed confidence would be restored and conditions would again be favorable for a rise in stock-market prices.

The natural objective of an international agreement among nations with paper currencies would be for all states that signed such an agreement to renounce any promise to maintain a fixed rate of coverage for their paper. Such an agreement would not only give these countries valuable freedom of movement but under every circumstance would represent a first step toward returning to the international gold standard when this return seemed desirable. Furthermore, by creating a currency system of their own, the nations with paper currency would enormously strengthen their position in relation to the nations that remained on gold. If negotiations were to occur later regarding a general return to the gold standard, the nations with paper currencies that had signed the agreement would occupy a strong position. They would not need to accept any gold currency that was not suited to the level that their own paper currencies had reached, and, finally, their joint experiences would give them a clear conception of the conditions under which an international gold standard could be expected to function freely.

These questions are more than imperative. They must be attacked without any further delay. A conference among the leading nations with paper currencies should be summoned as soon as possible to plan the only possible way out of the present currency crisis.

Tariffs and the Money System

By Sir Norman Angell

From the *Spectator*, London Conservative Weekly

PERHAPS the most amazing feature of the tariff discussion is that none of the tariff advocates, so far as I am aware, has troubled to deal with the relation of the tariff problem to that monetary dislocation which is the major and central problem of the modern economic world.

There lie before me as I write two authoritative documents of the Federation of British Industries dealing with the necessity of tariffs. They enter into considerations of the balance of trade; the necessity of stimulating the home market; the incidence of an *ad valorem* tariff; the necessity of distinguishing between raw materials and manufactured articles, between manufactured articles that are the raw material of other industries and manufactured

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articles that are not; the position of agriculture, of the Dominions, of imperial preference; the need of elasticity in the tariff for the purpose of negotiation with other countries. But as to the bearing of a tariff upon the reëstablishment of a sound money, the stabilization of the pound, or the chaos in international finance, there is not one word. The implication is that tariffs have no bearing on the monetary problem, or so little that it can be disregarded.

Yet note the following facts, and put them side by side. First, the fact that the nation has just had a financial shock, the like of which it has not known in all its modern economic history. We were, in the view of very many, and particularly perhaps of the conservatively minded, brought to the edge of the financial abyss, an abyss in which the whole money device threatened to collapse. And without the money device the economic processes by which our closely packed, urbanized populations are fed and clothed come to a stop. The point is not whether in fact we were as near as all that, but that most Conservatives, particularly protectionists, believed we were.

Beside that fact put the second one: the situation that produced the crisis was brought about by a maldistribution of monetary gold due in its turn largely to tariffs, or other features of financial, economic, and political nationalism. Certain creditor countries, France and the United States, insisted upon the payment of very heavy debts that the War had created. Since these debts amounted to very much more than the whole of the available gold in the world, they could be paid ultimately only in goods—the expansion of world trade, the exchange of goods for goods. But as soon as the debtor states, in the attempt to secure the credits with which to pay their debts, expanded their foreign trade, offered goods, that is, tariffs rose almost automatically. The debts had to be paid in gold. Creditor states sucked in gold from debtor states, till the latter were pushed off gold. The gold standard collapsed as a basis for most national currencies. Quite obviously it must collapse again if similar conditions are reproduced.

It is universally admitted by all students of the problem that there can be no cure for the monetary crisis except by international arrangements concerning the monetary device designed to prevent the dislocation occasioned by the financial and economic nationalism that has occasioned the present breakdown.

By the side of this second fact, put a third. The same section of the population that was most panic-stricken at the dislocation of the money system has been demanding a tariff, a 'thoroughgoing tariff'; continues to demand it, and in its advocacy implies that there is not the most distant relation between tariffs and monetary collapse. That aspect of the problem is simply disregarded. There are promises that the new tariff is to be a 'scientific' tariff, that it will not be permitted to raise prices (though the farmer or manufacturer whom the tariff is to save is not likely to be cheered by the fact that prices, which he has been telling us spell ruin, are not to be raised), but there has been nowhere any suggestion that it is our business to consider the effects of the tariff on the economic stability of foreign nations.

YET consider one detail of this relation of tariffs to the monetary problem. Very shortly the 'standstill' agreements, in respect of German commercial credits, expire. Only by the most careful and skillful nursing will Germany be able to meet those credits and avoid complete default. A stiff tariff,

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such as the British protectionists propose, might well, indeed almost inevitably would, in the particular circumstances of the moment, give Germany the final push over. Now complete German default would, without any sort of doubt, mean a banking and financial crisis here. We can give up talking then about the stability of the pound.

To those who favor tariffs and who at the same time have had grave fears about our money system, who have visions that there might happen to their money what happened in Germany, that they might wake up one morning to find that a thousand pounds would buy one egg for breakfast but not two—to protectionists who have these anxieties, I would put a very simple question: Do you deny that such an event as the default of Germany on her commercial credits would deeply affect our own financial welfare, vitally affect the problem of a stable money in Great Britain (recalling the fact that it was the failure of an Austrian bank which precipitated the crisis in August)? If your reply is that of course the security of our own money is wrapped up in German or other foreign solvency, then I would put a further question: Do you deny that a stiff tariff by Britain would gravely affect German solvency just now, Germany's capacity to maintain those exports by which alone she can find means of paying her debts? And if you reply that of course you don't deny that either, then I would follow with the third question: Are you going to take that effect of the tariff—the effect upon the financial welfare of foreign nations (since that welfare affects the stability, the very existence of our money)—into account? Is that aspect going to be included in your 'scientific inquiries'?

If you reply, No, then I would point out that any pretense that your tariff is in the least degree a scientific one must be dropped; that it is admittedly a hit-or-miss, bull-in-a-china-shop attempt which simply refuses to consider the nation's most vital interest—a reliable money, which alone enables us to carry on our foreign trade. If, on the other hand, you reply, Yes, that of course the scientific tariff will take into account the effect upon the solvency of our foreign customers and debtors, then I suggest that it should be drawn up in consultation with them; that any inquiry or investigation that precedes the imposition of a tariff should afford an opportunity for consultation with them; and that tariff-making should become, what it has never been in the past, a matter of international conference and agreement. So long as it proceeds on the assumption—which tariff-making in the past has always done—that its effect upon our debtors and customers is something we need not trouble about, it can never do aught in the long run but worsen the troubles it professes to cure.

The Revolt of the Investor

By M. J. Bonn

Translated from the *Neue Freie Presse*, Vienna Liberal Daily

THE END of capitalism is now being proclaimed on all sides. It is not being proclaimed so loudly, to be sure, in such capitalist strongholds as England, France, and the United States as it is in Germany, where before the War capitalism still had to share power with feudal forces, and where after the War it apparently emerged as the real victor of the social revolution.

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But it must be clear to everyone by now that things are not going smoothly. A dominating social class is seldom vanquished by its foes. If it starts to totter, its own leaders are generally to blame because they no longer know how to handle the system they inherited. Certainly this applies in considerable degree to German and Austrian capitalism.

Five years ago I wrote a little book called *The Fate of German Capitalism* in which I uttered this warning: 'The fate of German capitalism rests in weak hands.' Experience has confirmed my misgivings. Capitalism erred chiefly in making common cause with its foes during the period of the inflation. Adopting the jargon of socialist soapbox orators, it called people who received unearned incomes 'exploiters' and disappropriated them by means of the inflation. In such countries as Germany and Austria capitalism has never recovered from this blow. The revolt of the debtor met with complete success all along the line. The stabilization and revalorization of the mark represented almost nothing but the death and burial of the middle class that drew its income from investments.

But no capitalist system is possible without private saving, and private saving is possible only when banks can promise depositors interest on their money and return of their principal. During the inflation most of the banks could not make good their promises. Unlike industry, they could not read the signs of the times. In many respects they were economically undermined. Especially in Germany they made serious mistakes in their treatment of the public. But, since they lost money just as the public did during the inflation, they were held comparatively free of blame. And industry, having used or wasted all its working capital, soon became dependent on the banks again. Everywhere people resumed saving and deposits grew. To be sure, the money often came from new classes of savers, but this was no misfortune. For the workingman on becoming a depositor acquired the psychology of the investor. The inflation has thus had two results: the middle class has been proletarianized, and the working class has acquired a bourgeois attitude.

However, the middle class was not completely wiped out everywhere. Many countries still possessed a public with money to invest. The high interest rates resulting from the inflation led this public to place its funds abroad, though with some trepidation. It had learned from bitter experience that high interest rates are no compensation for the possible loss of one's capital. Hence it was willing to lend money abroad at short term only. As a result, ever increasing streams of gold began flowing into the rich lands of the earth, especially France and the United States. This gold consisted of interest and amortization payments on foreign investments, and was placed abroad only to a limited degree and on short term. For the investing public feared political, economic, or financial troubles in the future.

This lack of confidence first came to the surface after the German elections of last year. The National Socialists promulgated economic views that did not differ much from those held by many people wiser than themselves. Release from interest bondage stood at the forefront of their programme. In other words, they told their creditors that they considered it their inalienable right not to fulfill the financial obligations which they had contracted. This was honest of them, no doubt, but it was not exactly reassuring. The revolt of the investor began. Credits of all kinds were withdrawn from Germany. It was not so much the directors of the big foreign banks who doubted the solvency of German institutions as it

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was the depositors of those banks, who threatened to withdraw their funds if the banks should dare to lend money to such a politically dangerous country as Germany.

BUT not only foreigners became alarmed. The German investor himself, the man who had not lost all his money or who had built up a new fortune, had small desire to suffer from the abolition of interest. Very naturally, he got back whatever he could. He revolted, because he felt in his innermost being that his moral obligation to a state that had once gone in for inflation was limited. All went well until the collapse of the Austrian Credit-Anstalt showed him that apparently sound financial institutions might be brought close to bankruptcy through errors of judgment alone, not through crime. He perceived that neither the state, nor even the banks, whose stability he had valued more highly than that of the state, offered him any certain guarantee that his capital would be returned. This time, indeed, he thanked the state, which had assumed responsibility for his deposits, for having got him off cheaply. This was gratifying as far as the present went, but was not fundamentally reassuring. For the investor's only protection against bank failures was the same state that had once ruined him through the inflation.

This disturbing thought swept over Germany and over the foreign creditors of German banks, who became acutely aware, not only that German politics concealed dangers to which no sensible man would expose himself, but that not even the biggest economic enterprises were free from similar perils. In consequence, foreign investors called their credits home and by so doing brought about the failure of two big banks. After the first bank had been sacrificed, the others could be saved only by closing their doors. The German public bore this episode with exemplary calm and patience. The fortitude displayed in those critical days illustrates once again the tragic fact that the German people can be led through serious troubles more easily than any other nation, but that inadequate leadership is forever placing it in circumstances from which no other people would be able to recover.

This is the ultimate meaning of all that has happened: the investor, that is, the man who has saved, who has not used up all his income but has placed some of it at the disposal of the economic system of his country and of the world in the hope of future income—this man has become suspicious of the political and capitalistic institutions that form the basis and goal of his saving. He will have nothing more to do with them. He is drawing out his money and putting it in a stocking. He refuses to loan it. If Brüning and Laval had fallen in each other's arms and announced the birthday of a united Europe, M. Prud'homme of Noisy-sur-Seine would probably have heard the news with satisfaction. But he would not have bought at 54 the Young Loan bonds that his bank had offered him at 92 less than a year ago, nor would he have left his money in the bank if he had known that it was buying up big blocks of that loan dirt cheap. He would feel that he had reason to be suspicious.

Investors have been deceived and defrauded the whole world over. Now they are revolting and withdrawing their money from industry. The investor is usually a guileless creature. Yet he is stigmatized openly by socialists and indirectly by business managers as a 'coupon cutter,' and a peculiarly odious capitalist. Now he is revenging himself, more from fear than spite, by withdrawing his money, and, unless it is possible to convert him to

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a better way of thinking, he will deal the capitalist world its deathblow. He certainly has a right to expect economic stability and to demand that his hard-earned pennies should not be dissipated by general directors grown mad with power. But he must realize that his treasure will not be safe even in a stocking if by holding it back he deprives the capitalist world of the money it needs to run itself. Unemployment and social distress do not safeguard property. The revolting investor the world over, in debtor as well as creditor countries, should remember the phrase, 'Property pledged.'

Germany Can Pay

Translated from the *Journal des Débats*, Paris Conservative Daily

M. DE MARCÉ, chief councilor at the Court of Accounts, honorary professor at the School of Political Science, and member of the Superior Statistics Council, has written a book that is the development of an article published last summer in the *Revue des Deux Mondes* entitled *The Truth about the Distress in Germany*. The conclusions he arrives at should be disseminated and, we hope, will be meditated upon by the French Government. His conclusions may be summed up in two parts. First, Germany is spending prodigally compared with the economical expenditures of the French. Secondly, Germany is militaristic and is not disarming, whereas France is pacifistic and relatively disarmed.

From the financial point of view, the Reich budget is not the only item we should examine to know the real German situation. The local budgets are still more important, that is to say, the budgets of states, communities, and, especially, large cities. Sixty per cent of all German expenditures go into these local budgets. The state, or *Land*, is still a free state—*Freistaat*. Free to spend as it pleases, it spends too much. All the German budgets have trebled since the War, even if we eliminate the military expenditures of 1913–14 and the war charges, including reparations, of 1928–29. If we allow for the higher cost of living in Germany, the budgets have still more than doubled since the War. Of the total German public expenditures, amounting to between 21 and 22 billion marks, the reparation charges as fixed by the Young Plan amount to less than ten per cent, since the average annuity due under the Young Plan amounts to only 1,988 million marks. They amount to less than five per cent of the total public expenditures if we deduct from the annuities the amount contributed directly by the German railway companies and industries. Making a similar deduction for the year 1931–32, Young Plan payments will constitute only 3.4 per cent of the total German budgetary expenditures.

Therefore it is not reparations that are weighing down the German budget and that have caused it to increase. These charges amount to relatively little. The Young Plan, which was accepted by Germany as a 'complete and final settlement of reparations' can be carried out, and it is impossible to repeat this fact too often. Moreover, Germany can and should make economies in public expenditures. She should cut down her military and police expenditures, beginning with expenditures on the *Reichswehr*, because her present budgets extend credits for the manufacture of arms which, together with the excess of her swollen maintenance and replacement credits over normal maintenance expenses, permit *Reichswehr* expenditures to ex-

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ceed alarmingly the maximum figure allowed in the Versailles Treaty.

The Reich must cut down its military expenses because the experts on the Dawes Committee estimated that the 1924 budget of 459 million marks should be considerably reduced, whereas by 1928–29 it had actually risen, exclusive of pensions and benefits, to 763 million marks.

Germany should also economize on police expenditures, which should not increase any faster than her population. Having spent 217 millions in 1913–14, she spent 870 millions in 1928–29. Police expenditures have quadrupled since 1914 because they go to support the *Schutzpolizei*, a second army of 140,000 to 150,000 men. Furthermore, Germany can make economies in all her public services.

In 1930, Germany spent the equivalent of 3,737 million francs on courts and penitentiaries, not counting pensions and benefits. We French spent 366 million francs, not counting pensions but including benefits. Germany spent 3,371 million francs more than France on 75,000 employees, compared with 15,000 in France.

The cost of public instruction in Germany increased to the equivalent of 19,379 million francs in 1928–29. Our budget for the Ministry of Public Instruction and Fine Arts in 1931–32 calls for an expenditure of 3,366 million francs. This sum, it is true, does not include 27 million francs charged to departmental budgets or 400 million francs charged to town budgets. The figures that should be compared are 19,379 millions for Germany and 3,800 millions for France. In other words, the Germans spend five times as much on public instruction as we do.

The German statistics covering public instruction include 'theatres and concerts.' Here is one of the most striking peculiarities of the German mentality, or of German 'culture,' as our neighbors across the Rhine would say. In 1928–29 theatres and concerts cost the German public the equivalent of 893 million francs, two-thirds of which was charged to general taxes, that is, was paid by the body of the taxpayers. With the constant increase of public expenditures in Germany, at least a billion must have been spent in 1930. Our budget for the Ministry of Fine Arts allows subsidized theatres 8,946,000 francs, and our theatres, concerts, and cinemas bring the Government and the municipalities nearly 300 million francs a year. Social expenditures in Germany are therefore six, twelve, fourteen, and even seventeen times what they are in France.

THESE excessive expenditures have created deficits in the German budget. After the currency collapse of 1923, which freed Germany from its pre-war and war debts, a new public debt began to pile up, which, to be sure, included some of the old debt. This public debt amounts to the equivalent of 73 billion francs for the Reich budget and 79 billion francs for local budgets. It has increased 60 billion francs since 1928, and of this sum 34 billions are charged to local communities, which do not have to pay a cent of reparations.

Furthermore, the floating public debt or short-term debt of Germany rose in 1930 to more than 34 billion francs, of which 22,743 millions were local floating debts, which are virtually unknown in our smaller communities, which are authorized to borrow only on long term. It was on this structure, so ill-prepared for resistance, that the political crisis of 1930 and the economic crisis of 1931 descended. The rope had been stretched too tight and the economic crisis snapped it. The banking or currency crisis that followed in July 1931 was the result of nationalist policy and also of bad financial manage-

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ment, which led to a crisis of confidence and panic.

Yet the financial and economic position of Germany is sound from the fiscal point of view. Germany is not in distress. Numerous indexes of prosperity are encouraging. First of all, the cost of living fell to 134 in September 1931 from 146.9 in September 1930, a drop of 8.8 per cent—the year 1913–14 being taken as 100. The figure for September 1931 is 8.9 per cent less than the figure for September 1927; 12 per cent less than the figure for September 1928; and 12.8 per cent less than the figure for September 1929. Secondly, the consumption of commodities has increased. Thirdly, deposits in savings banks have increased. In our own country savings have risen by 36 billion francs, and German savings have increased to the equivalent of 80 billion francs, of which amount 34 billions were saved during the three years ending May 1, 1931. Fourthly, exports exceeded imports by 1,816 million marks in 1930 and by 1,068 million marks during the first six months of 1931, compared to an excess of 663 million marks during the same period in 1930. Furthermore, the favorable export balance of manufactured goods increased 17,737 million francs during the first six months of 1931. Here is proof that intense industrial activity is continuing.

Germany has enormous resources—an economic potential that will develop rapidly as soon as circumstances permit, an admirable railway system and fine highways and waterways, an excellent industrial plant and splendid housing facilities. It is overequipped, to be sure, but its equipment will remain intact even in the event of another collapse. Germany can, or could, easily pay reparations and reimburse her lenders. She needs only the will to control her expenditures, which are manifestly excessive.

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A British economist and mathematician who is the head of his own Stock Exchange house in New York interprets the depression as the victory of the machine over man. His article will appear subsequently in French and German.

The Changing Value *of* Man

By C. N. Edge

Foreword

By Thomas L. Chadbourne

CHARLES N. EDGE is an unusual product of this amazing period.

If the term had not been so misused, I should say he was a free thinker. With a mind untrammeled by tradition, completely open to new ideas irrespective of their origin, and delighting in the clash with others, he is an exciting conversationalist, whether you are facing him or reading him.

If the article to which this is a brief foreword has the same effect upon its other readers that it has had upon me, they will find their admiration for its lucidity and logic tempered by a sneaking fear that the ills he analyzes may not be grasped soon enough to ensure their cure.

I am not saying he is right, either in this article or in others I have had the pleasure of reading (he would be the first to resent the statement if I made it), but I unhesitatingly assert that what he says on economic subjects evidences profound and original thinking and is so mentally stimulating as to be worthy not only of reading, but of re-reading and studying.

ACCORDING to Sir. W. Flinders Petrie's paraphrase of Herodotus, 'The Egyptians of the Fourth Dynasty, employing 100,000 men for twenty years, built the Great Pyramid of Khufu at Gîza. It was built of 2,300,000 blocks of stone, each weighing about two and a half tons, each exactly and beautifully chiseled.' What a business boom there must have been in Egypt! Undoubtedly the value of slaves and real estate rose continuously, luxuries became necessities, and a new era of industry and investment dawned, for the new Great Pyramid offered convincing visual proof of the permanent financial power and strength of Egypt. Unfortunately, the existence of a vast national building organization with all its allied activities of mining, transportation, equipment, and sup-

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plies meant, five thousand years ago as it does to-day, prosperity only as long as it could be kept functioning, and panic, unemployment, and dismay as soon as the building was discontinued. That Egypt realized the internal political and financial importance of such construction is proved by the fact that more than fifty pyramids were built between the Fourth and Eighteenth Dynasties.

The building of the pyramids, the first classic example of nationally organized construction, has been paralleled during the past few years by the construction in one country, the United States, of 25,000,000 automobiles representing the labor of 500,000 men for ten years, both achievements being tangible expressions by great nations of their surplus wealth, labor, and mechanical skill. The Egypt of five thousand years ago, like the United States of to-day, had cycles of prosperity and depression that coincided almost exactly with the building of each pyramid and the recovery from that effort.

Man's power of production—his ability to 'create value'—remained almost unchanged until the middle of the nineteenth century. The second half of the nineteenth century was the era of inventions, and the first thirty years of this century have been the era of their application, the era of 'mechanization,' the multiplication of the power to create value. But this multiplication of the power to create value has resulted in enormously increased production of all goods in excess of the normal demand. It has necessarily entailed a corresponding forced increase of consumption, with its attendant evils.

The analogy between excessive and unjustified consumption of goods by a nation and excessive and improper consumption of food by an individual is remarkably close. Always the cause of business depressions and stock-market crises has remained the same. Crises are unpleasant and abnormal, but they are nearly always the direct result of overconsumption, of over-indulgence, and must be regarded, treated, and healed exactly like the equally abnormal condition of indigestion and stomach ache that results from overconsumption by the individual. The individual will in due time recover from the results of overconsumption, but usually only after great pain and after enough time has elapsed for his normal appetite to return. In both cases recovery results, not from an effort to continue rapid consumption, but from rest and a careful and easily digested diet. Serious danger exists only if the sufferer, or consumer, through lack of control or intensive persuasion, attempts to consume more than his impaired digestive ability permits. The rules and penalties governing the consumption of food by an individual and the consumption of goods by a community seem to be exactly parallel. In either case the restoration of good health depends, not on doctors or economists, but on time, good sense, and sensible control.

WHY, then, do we worry? If the United States recovered and emerged stronger than ever from the panics and depressions of 1837, 1857, 1873, 1893, 1907, and 1921, why should there be serious cause now for anxiety? Did not at least three of these depressions look worse at the time than the present one does to-day? In other words, are we passing through a known cyclical phase, a necessary period of rest after overconsumption, from which the United States and the rest of the world will soon recover, or does some new problem confront the world? Indeed, it does! The period 1930–1932 is generally felt to be, and may become known as, the 'world unemployment panic.' More

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and more machines producing more and more goods with less and less human labor have, after reducing man's hours of toil, now caused the permanent unemployment of an increasing percentage of the population. If this were a temporary problem, social insurance, unemployment benefits, military conscription, state employment, vast public works, shorter hours, and similar palliatives might be effective. But if the problem is permanent and increasing, as it seems to be, if it is going to continue to exist, though in varying degrees, during times of prosperity and depression alike, then the cause and extent of this permanent change must be completely understood, and remedies must be devised to solve it. Theoretically, these remedies are simple, and, strange as it may seem, should require no great sacrifices—perhaps no sacrifices at all.

The statement of the problem is this. In 1919, taking all manufactures in the United States into account, three men, working with the machinery then existing, produced a definite quantity (not value) of goods. To-day, only twelve years later, rather less than two men, working shorter hours with the machinery now existing, produce the same quantity of goods. Stated differently, the volume of goods produced in 1931 will exceed the volume of goods produced in 1919, a boom year, by approximately 12 per cent, but the number of wage-earners in all factories will have decreased from 9,000,000 to at most 5,600,000. This is the result of more complete and efficient mechanization. During the last twelve years, the population of the United States has increased 16 per cent, but the production and distribution of all goods has increased even more. The increase in the quantity and efficiency of machinery has displaced from the manufacturing industries 2,500,000 wage-earners, even though labor has been absorbed by new industries and the working week has been shortened. Equations connecting output to labor and machinery show that, if the next peak of consumption of manufactured products should occur in 1936 and should exceed the 1929 peak by as much as 30 per cent in volume, only 6,800,000 wage-earners would be required in all factories, as compared with the 8,000,000 so employed in the boom year of 1929, and the 9,000,000 in 1919. But if the number of workers employed in all factories were to maintain the same ratio to the population as in 1919, then in 1935 there would have to be 10,500,000 workers, instead of the estimated 6,800,000.

More complete mechanization of farming has produced a similar result. The farm population of the United States has declined in twelve years from 30,000,000 to 27,000,000, instead of increasing to 35,000,000 with the population of the country, as it normally would. The same thing holds true with the railways. In 1919 the railways employed 1,960,000 men; by 1929 the number had declined to 1,690,000. (In 1929, the miles traveled by passenger trains showed an increase of 1 per cent as compared to 1919, and freight-train mileage showed a corresponding increase of 7 per cent.)

It seems as if the workers displaced from the manufacturing industries, farms, and railways, which employ more than half of all the workers in the United States, should be readily absorbed by the nonproductive and service industries. For, since retail trade, distribution, and the professions are hardly mechanized at all, the number of workers they employ stands in an almost constant ratio to total consumption. This increases a little more rapidly than the population, so that the proportion of the population employed in these industries varies only slightly. But the additional number of women

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workers available for these industries has made it impossible for such industries to absorb any considerable number of the workers displaced from the farms, factories, and railways.

Up to now, the burden of giving employment to this increasing body of workers has therefore fallen chiefly upon the state and municipal governments. The pressure upon these governments to supply employment directly in the form of state and municipal service, or indirectly through new construction, can be imagined. Take, for example, the annual expenditures in New York State on public schools, one of the great sources of employment, direct and indirect:—

Year	Total Expenditures for Public Schools	Number of Pupils	Value of All Farm Property in New York State
1890	$17,000,000	1,840,000	$1,139,000,000
1900	33,000,000		1,069,000,000
1910	50,000,000	2,030,000	1,451,000,000
1920	108,000,000	2,462,000	1,908,000,000
1929	376,000,000	3,658,000	1,553,000,000

Great disproportional changes such as these directly increase taxes and public debts. Indeed, it is surprising that state and municipal governments have not been forced to raise taxes and incur debts even faster than they have.

Between 1922 and 1930, perhaps largely as a result of more complete mechanization and the attendant need for greater consumption, the expenditures and debts of states and municipalities increased with great rapidity. By the end of 1929 new state and municipal developments financed by public loans were responsible for the employment of almost 1,500,000 men. This expansion in a period of prosperity created a dangerous condition, for it has become necessary during the depression to reduce this indirect employment at the very time when the supply of labor is greatest. And now the facts that have piled up during twelve years have become apparent.

In the light of these facts, it would seem that something has really happened, steadily and unseen. As usual, overconsumption of all goods is the obvious and immediate cause of our present distress, but we are much more deeply affected than ever before, since we now possess a more efficient and greater machine of production that is geared to produce a permanent and increasing supply of all goods far in excess of our normal power of absorption, a machine that has employed, and will continue to employ, more capital but less labor per unit of goods produced. This is a problem and danger independent of depression or prosperity. It is terribly apparent in a period of depression, but partly disappears during prosperity. It lies outside the scope of present laws. It is too subtle and pervading for most people to grasp but it has almost surely caused a large and determining change in the total true and supportable demand for human labor.

Most of us have believed that, although mechanization may have reduced the total demand for labor, it has more than made up for this reduction by creating a corresponding increase in the value of labor. But neither the theory nor the practice of mechanization supports this belief, because under existing laws man-made machines, in many hands, run uncontrolled, producing more and more goods more and more cheaply, each improvement reducing the cost and lowering the value of what each man can produce himself. In other words, man's greatest asset, his power to create value, is being increasingly reduced and transferred from man to the machine.

Wages as expressed in terms of cash

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are not a good criterion of the true value of man; they are misleading and unstable, for they are not allowed to fluctuate freely. They do not vary with the value of labor, or with the profit derived from it, or with supply and demand in the labor market. The true value of any worker rests upon a much broader base than the cash value of his wages; his true value depends upon the value of land. For as far back as records go, unchanged at all times and in all places, in Egypt in 3000 B.C. and in Texas, U. S. A., in 1910 A.D., the basic value and obtainable wage of a man has been half the produce from the land he rents and can work, or, in the manufacture of goods, half the value he can add by his skill. In 1929, 8,500,000 male workers (owners, renters, and laborers) over fifteen years of age produced in the United States crops valued at $12,500,000,000, or $1,470 per man per year, giving each worker an estimated yearly wage of half this amount, $735, or $2.45 per day. In actual fact, the wages paid to all farm workers during that year averaged $2.42 per day (without board). The old law still seems to hold good.

Just as the true wage of a man can be calculated as being half of what he produces, so the true capital value of a man can be calculated as being half of what he is expected to produce during his lifetime. But this also represents the valuation of a definite area of actual land, and makes the value of a man and the value of a certain area of land equal (with minor modifications), so that both values must rise or fall together. But machine production, through its inherent economies, through its capacity for overproduction and its difficulty of control, is not only lowering the actual and relative value of its products, but is also—and consequently—reducing the value of land and the total value of all the workers. The startling result of machine production of farm products is that the average value per acre of farm real estate steadily declined between the years 1921 and 1929, when mechanized farming made the greatest progress, from an index number of 157 to 116, although the average price of all commodities remained virtually unchanged between these years. If the true value of man and the value of land vary together, then, allowing for the change in the number of men required, the value of the agricultural worker between the years 1921–1929 decreased steadily from 156 to 127—a drop of 19 per cent.

Just as this law is true of producers of raw materials, so it is also true of manufacturers of finished goods, whose total wages, including salaries, equal one-half the value added by the process. The wages paid in all manufacturing industries in the United States in 1927 were exactly half the difference between the cost of the raw materials and the value of the finished products. Again, it would seem that the old law still holds good. But the value added by any process is not constant; it continuously decreases under free competition, very slowly when performed by skilled workers like the Swiss watchmakers, but with extraordinary rapidity when modern automatic machines compete against each other as they do in the manufacture of radios. (The Radio Corporation of America has done $1,000,000,000 of gross business, but has never paid a dividend on its common stock.) The total value added by a process, and the total wages paid in that process, can increase only if the resulting goods are produced and distributed in greater and greater volume.

But the distribution of such necessities as farm products, clothing, coal, and so forth, has not increased because the total consumption remains constant, or nearly so, irrespective of price. (The consumption, *per capita*, of

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sugar and coffee in the United States has remained almost unchanged, in spite of a reduction in price of 75 per cent.) Therefore, the value added to all necessities by the process of manufacture, and consequently the total wages, must continuously decrease as more, or better, machines are used. Indeed, if overproduction of necessities goes far enough, the net value added by the manufacturing process can actually vanish. Inevitably the total wages (not the average wage, because there may be fewer workers) paid in the production of all necessities must decrease as mechanization progresses. On the other hand, the total wages paid in the production of luxuries—in the 'appetite industries'—can increase because the consumption of luxuries is not constant, but expands as improved machinery reduces prices. In the case of every desirable luxury, demand halts only when the public is financially unable to purchase or physically unable to consume. There is then a vast theoretical and practical difference between mass production in necessity industries and mass production in appetite, or 'easy-money' industries. Uncontrolled, the necessity industries, which cannot benefit by increased efficiency, will inevitably be drained and swallowed by the luxury industries. During the last twenty years American farmers bought $7,000,000,000 worth of automobiles, but during the same time the mortgages on their farms increased between $6,000,000,000 and $8,000,000,000. If this process should continue for twenty years a large fraction of American farmers may lose their land.

IF mechanization has reduced the total demand for man, and at the same time has reduced his value, then nature herself may attempt a readjustment, as she does continuously in all life. If man, by means of his own acts, has caused the value of human labor and the demand for it to fall, nature, the most accurate and sensitive computer of changes, may immediately curtail the reproduction of man. The birth-rate in the United States dropped from a rate of 25.1 per thousand in 1915 to a rate of 18.9 in 1929, a decrease of 25 per cent in fourteen years. It is hardly conceivable, but, if 'man-made machines have ceased to be the servant of man and have lowered his demand and value forever,' then this present manifestation of distress is no simple indigestion or stomach ache; it is the danger signal of a peril to ourselves and to our children, not only in the United States, but, in varying degrees, in all countries throughout the world.

The only purpose of laws is to define and produce stability in human relationships. Our laws, as they exist, were devised for hand production. No laws exist suited to produce stability under machine or mass production. In one generation a great unforeseen mechanical engine of production has been built and is running at enormous momentum without control. Indeed, the present laws in restraint of trade actually prevent its control. Theoretically, mass production can be safely controlled, just as crime can be controlled by punishment. But, practically, effective control can be applied only when the need for it is realized, when its theory is understood, and when people are individually willing to accept such control.

There is a certain point in the development of mechanization at which both capital and labor receive a maximum return. Beyond this point the demand for and value of man begins to decline; beyond this point mechanization ceases to be a blessing.

Any control, to be effective, must increase the demand for man and his value. This can be done only by reducing the relative value of the machine.

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The burden of taxes must be transferred, as far as possible, from the land, *which is labor*, and laid upon the machine and its use. The unforgivable economic crime of overproduction of necessities, which directly destroys the value of land and of labor, must be controlled. And the forced distribution and consumption of luxuries must also be controlled through taxation. Such control must be 'paternal,' not 'individual,' because individual control of machines for the mutual benefit of the community does not exist, and probably never will. Theoretically, the true value of the worker, relative to commodities, can be raised only by transferring back to man that variable and needed fraction of his power and right to create value which the machine has unrighteously taken from him. Happily, true maximum prosperity and maximum consumption can occur only at a time when the value of man is at its highest and all men are employed. The aim and desire of the worker is, therefore, identical with the aim and desire of capital. Thankfully we remember that the patience of man is one of the most important facts of history.

The United States, unique in its geographical position, the greatest producer and the greatest consumer of almost all the necessities of life, the most highly mechanized country in the world, enjoys, and can always enjoy, a higher standard of living than the rest of the world. If its mechanization is controlled, and the demand for and value of the worker thus increased, its standard of living will be raised, not lowered.

Existing laws control the relationship between man and man. The laws to control the relationship between man and the machine have never been written. In the existing economic structure the machine must be so controlled that it shall remain the servant of man and not become his master. As the United States has led the world in mechanization, so it is her privilege and duty to lead in its control.

Postscript—A Communication to Mr. Edge

By Bainbridge Colby

I THANK you for giving me an opportunity to read in advance of its publication your forthcoming article entitled 'The Changing Value of Man.'

It is a very arresting and impressive analysis of the economic fundamentals that underlie and explain the current depression.

The ascendancy of the machine in modern life and the permanent unemployment of an increasing percentage of mankind that results from it quite justify your insistence that the world is confronted by a new problem, distinguishable from the cyclical phase of reaction, or, as you well describe it, 'the period of rest after overconsumption,' with which we have been made familiar by the historians of other business crises.

And your translation of this new and fearsome mechanical domination into terms of the reduced economic value of man's labor and of man himself must profoundly impress every thoughtful reader.

Your proposal for coping with this new and portentous economic reality, whose effects are so imperfectly perceived, namely, to transfer the burden of taxes from the land and its products, which you identify with labor itself, to the machine and its use, is an important contribution to the clear thinking for which the times call so earnestly.

You have succeeded in stating your views with clearness and simplicity, and they are sure to be read and studied with great interest.

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Western civilization's weakest spot is Eastern Europe. Here are two first-hand descriptions of that part of the world, one interpretive, the other factual.

EUROPE'S Darkest Corner

By Two German Observers

I. The Bolshevized Balkans

By Hans Zehrer

Translated from the *Vossische Zeitung*, Berlin Liberal Daily

THE LOWER middle class in southeastern Europe is being affected by the same crisis that has assailed the peasants. Both groups are fighting a common struggle in a common cause. Together they present an invincible front against the laboring class, in so far as it exists at all, and they both refuse all Western European or Marxian catchwords. The peasants and lower middle class are also attacking the urban ruling class, which is a mixture of former landed proprietors and newly rich industrialists and financiers. These rulers are few in number and they know it. They are also aware of the fact that they have already lost part of their possessions and are still losing more. For this reason they cling tenaciously to the state, which supports them and without which they would be left suspended in mid-air.

Perhaps the social transformation would have proceeded smoothly and gradually if the economic depression had not suddenly occurred overnight. A new intellectual class would have been created, made up of the sons of peasants and of members of the lower middle class, who whenever possible send their children to gymnasiums and universities. These intellectuals would not have done the lower classes much good, for they would have at once deserted to the upper realms of society, bringing fresh blood with them. New additions to the middle class would thus have been created and would have been able to parry the social attacks from below. They would have eased some of the tensions and extended the foundations of the state.

A few such additions have been strengthening the upper class, but the danger is that the world crisis will produce a different development from the one outlined above. For the intellectuals are finding no jobs in nations that keep getting poorer. They have good education, academic knowledge,

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and often doctor's degrees. But the state and business can use only a very small number of them. To-day, when the buying power of the peasant is vanishing, there are fewer and fewer positions for the intellectuals, who are therefore fighting for their lives.

It is this middle-class element that is suffering most severely from the crisis. It is the same with doctors, engineers, lawyers, and officers. Indeed, their position is similar to the position of the same class in Western Europe, although the conditions of an industrial nation are fundamentally different from those of an agricultural one. The intellectuals of southeastern Europe are becoming isolated more rapidly and more fundamentally. Any man who is a mechanic spends all his time in his automobile, any man who is an officer lives in barracks, any lawyer is glad enough to get a little clerical work to do. Yet the attendance at gymnasiums and universities hardly declines at all.

These intellectuals are becoming advocates of nationalism. They are reviving the idea of the nation, and they often start riots by carrying it too far. But they also have plenty of time to reflect, because they are often out of work, and they have had plenty of experience with hunger. At present they are sailing under nationalist colors, but these colors already signify social causes. The Jewish element has been the first to be attacked. The foreign minorities will come next. Where will this movement end?

Perhaps the intellectuals will presently turn to socialism. Perhaps they will be made more radical by the economic crisis and transformed from an element supporting the state into an element that wishes to destroy it. Perhaps their ideas will no longer come to them from the west but from the northeast.

Europeans should not shut their eyes to this situation, for it is real: a peasantry with its living standard reduced to a mere subsistence level; a lower middle class being swept in the same direction; a group of intellectuals who are being made more radical by the economic crisis; and, on top of them all, an upper class that is already shot full of holes. The crown is the final guarantee, but it is hardly one hundred per cent safe.

RUSSIA does scarcely any work in southeastern Europe. The tales of atrocities that are told about the agents of Moscow are false. The time is past when the Red ghost wandered over the Balkans and had apparently set foot in Hungary and Bulgaria. This manifestation was one of the first consequences of the War and it led to an agricultural revolution. But that particular firebrand has been extinguished, although another has replaced it: the economic crisis, which is a greater danger than the crisis that immediately followed the War.

A nation's power of resistance to revolutionary influences is chiefly measured by the proportion of the population that has property to defend. As soon as this element loses its stake in the community, the nation's power of resistance generally gives way and bold experiments find responsive ears. Now the value of the property to be protected here is decreasing from day to day. It cannot be positively stated that the power of resistance is slackening, but certainly not much has happened to strengthen it. The Russian danger lies closer, both geographically and sociologically, than ever before. Should it become acute, Europe will receive at this point a decisive blow from the East that will have much more influence on our destiny than the activities of the Russian atheists or the advances of Western Communism or culture Bolshevism.

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Europe's Achilles' heel lies in Central Europe and the Danube valley. It is not yet decided who will control that huge agrarian territory which to-day we optimistically call Central Europe. Is it closer to the East or to the West? If we are willing to concede certain advantages to this part of the world against the expressed wishes of many industrialists and agriculturists, we are not governed solely by economic or by purely sentimental considerations. We are also motivated by a well understood policy of advantage and self-interest. For at this point the European front can be unrolled more quickly than we imagine.

It is therefore rather remarkable to observe how the European powers are quarreling over this territory without recognizing the real danger. The English and Americans are 'capitalizing' the land and exploiting it in their time-honored fashion. The French appear with their politics and money, gain the support of certain urban groups, extend loans and make alliances without seeing the sociological change that is going on and without suspecting its tendencies. Only a very few smell the wind that is blowing over the wheat and corn fields of southeastern Europe laden with the scent of the wide plains of Russia.

Germany of all powers is the closest, both spiritually and geographically, to southeastern Europe. It is also close to the East. It seems that a great task has fallen to us here, to hold the scales between East and West and to stabilize the system in the middle. This means that we should do everything in our power to investigate the possibilities of development in the southeast and to support with advice and action the southeastern states with whom we are connected anyway by reason of our own national minorities who live there. We should help them to new ideas when their own fail them.

But we can do this only on one condition. Germany to-day occupies a special position in relation to Russia. It is the only great power that has consistently maintained good relations with Moscow. Disturbances brought about by our own Communist Party have been checked by state interference, and no other disturbing factors can be seen. But Russo-German relations depend on this condition: the Danube valley and the agricultural country adjacent to it must belong to Europe. Russo-German relations will be hopelessly embittered if Russia exerts pressure southward and will be extraordinarily eased if it becomes possible for us to arbitrate certain latent conflicts between southeastern Europe and Russia. These questions may seem to lie in the distant future, but actually they are becoming more urgent every day.

II. Ruthenian Week-End

By Günther Stein

Translated from the *Berliner Tageblatt*, Berlin Liberal Daily

THREE hours by airplane from Pressburg and three and a half hours from Vienna, lies that part of Czechoslovakia which is still being colonized, Podkarpatska Rus or Carpathian Ruthenia. It is a small strip of territory running east and west, a slender wedge between Poland and Hungary, a bridge to Rumania.

It is a wild, primitive country whose inhabitants include Ukrainians who call themselves Ruthenians, Jews,—who in this part of the world nearly always consider themselves as belonging to the

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Jewish nation,—Hungarians, Slovaks, gypsies, German colonists, Russians, and twenty thousand Czechoslovakian officials. Hardly any other part of Europe is as backward as this district, which Czechoslovakia took over from Hungary in order to maintain direct contact with its Rumanian ally. Hardly any other part of Europe is as interesting politically and culturally, especially now that the young Czechoslovakian state is actively working to bring its inhabitants to life.

It is a splendid flight from Pressburg, now known as Bratislava, to Užhorod, the capital of Carpathian Ruthenia. At twenty-five marks it is also a cheap journey and therefore within the means of many Germans who might like to spend their holidays discovering a beautiful, interesting, inexpensive country. First we fly over the flat, intensely cultivated farming country of Slovakia, a mosaic of long, narrow, bright fields and straggling villages of bright blue houses with heavily thatched roofs. Meadows and forests succeed each other and then come the mountains, the Carpathians. The airplane climbs higher and higher, and when we reach an altitude of 7,500 feet the mountain winds blow us about. Even in early October there is snow on the higher peaks. There are fewer and fewer human settlements; the country below is almost virgin forest. Finally we come to Užhorod, which used to be called Ungvár and has doubled in size since it became the capital of this new district, but which has not lost the easy-going Balkan character of the typical Hungarian provincial city.

The café of the only habitable hotel is the centre of life for all those who yearn for a European atmosphere, and there are many such people, including Jews who want to be emancipated, Hungarians and Ruthenians who want to become city people, Russian refugees, and Czech officials. Viennese influences seem remote, and a dark political atmosphere broods over everything. The place is full of party and group conflicts and of small-town intrigues. There are many nationalist contrasts—Levantinism mixed with the commercial spirit, a tragi-comic metropolitanism combined with individualistic strivings. The café is a dirty, noisy chaos of coffee, cigarettes, chess, and newspapers, a chaos in which the smallest political spark might cause an explosion. On the street outside the café the same life exists, only at a lower level, a sinister and almost completely political life, in spite of its erotic undertone. It is chiefly the young people who are hungry for new ideas and for leadership, often at the cost of spiritual and moral values.

The Czechoslovakian authorities occupy clean, practical new quarters. They are building roads and canals, schools and dwelling houses, and fighting with all their might against the worst illiteracy anywhere in Europe. Prague has made huge investments in Carpathian Ruthenia, many of which are clearly to be seen. I am cordially received here, as in all other parts of this country, and the state president puts an automobile at my disposition. I spend eleven hours touring the country in this car, seeing and hearing much that I shall never forget. It is a moist, rich country, fruitful, wild, impressive, full of color and beauty, and the men and animals are like their surroundings.

FIRST I head straight for the Polish boundary, which runs across the Carpathian mountain passes. I pass through Ruthenian villages that can hardly have changed at all in three hundred years. Wretched huts with thatched roofs shelter both men and beasts. Lovely, slender women with white sheepskins over their shoulders

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and huge, brightly colored coats carry heavy sacks, walking barefoot along the muddy streets with easy, balanced footsteps. Strong Slavic men, likewise wearing sheepskins over their shoulders, are transporting wagonloads of wood, corn, and melons gathered in at the last harvest. Children with white sheepskins over their shoulders are herding cows, horses, pigs, and geese. Between fields of corn that rise higher than the low houses, grow innumerable sunflowers, which give a kind of oil, also pumpkins for the horses to eat and melons and beans. Neither money nor the Stock Exchange determines prosperity or adversity here, but the growth of the soil, the health of the cattle, labor, sun, and rain. Each individual looks out for himself, remote from any market, and an unusually large harvest can never mean disaster, nor can a poor harvest mean greater profits. Poverty prevails everywhere. Economy still has some meaning in this primitive mountain country, above whose lovely valleys rise impenetrable forests tinged, as I write, with bright autumn colors. Far beyond on the mountains lies snow, even before the harvest has been garnered.

Surrounded by all this bright color, primitiveness, and ruggedness, innumerable orthodox Jews, bowed down and clad in black, move about, remaining true to their moral traditions in spite of their poverty. They have long beards and long hair, and wear melancholy caftans and great, black, fur-lined flat hats. They look like ghosts, because their costumes are unsuited not only to the times but to their race, having been copied during the Middle Ages from German trade barons. They go about the street like shadows and dart back when my automobile sounds its horn. The day I saw them was a festival so that they were not working, but most of them are small peasants, foresters, day-laborers, and hand-workers. Like the other inhabitants, they dwell in villages set in forgotten valleys, and some settlements contain only Jews. There are towns in which eighty per cent of the population is Jewish, for the Jews in Carpathian Ruthenia are second only to the Ruthenians in number. They live in abject poverty and misery like the Ruthenians, and though their men can read the Talmud —for they belong to the ecstatic, Chassidic, orthodox sect, which believes in miracles—many of them are illiterate and cannot write their own names or decipher any living language. Here Jews are free, or could be if they wished, for there is no longer any danger of the pogroms that caused them to escape to this country in the eighteenth century. None the less, theirs is a sad lot, but they believe it is the will of God.

The mountains above are historic. A thousand years ago the Hungarians poured through these passes. In 1914–15 the War raged here, and splintered trees can still be seen. There are still trenches along the mountain passes, also artillery fortifications and the graves of soldiers. I was shown a peasant's barnyard where the Russian General Staff once sat.

To the south a plain extends as far as the Rumanian boundary, skirting Hungary on the way. The country here is more fertile, and Hungarian has replaced Russian as the native language. The Hungarians, and next to them the Jews, represent the majority of the population. As one moves southward the houses grow larger. Red peppers and yellow ears of corn are hung from the roofs to dry and there are more new buildings. Only the towns are cheerless here, with their houses rising out of the mire. New buildings, drainage, and electrification are making progress, but little attention is paid to beauty.

Gypsies are indigenous to this extraordinary country. They make primitive

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villages of earthen huts that teem with wild, filthy, yet gaudy activity. But they are wretchedly poor, and the government can do nothing about them, for they seem to want to live this way. Hundreds of outstretched hands beg and gesticulate while people cry, laugh, and moan all at once, throwing themselves all over every visitor. One of them plays a fiddle and they begin singing and dancing, for, like the Ruthenians, they are a gay people. They are the direct antithesis of what we should call middle class.

Then we come to a German village, which is cleaner and more sober. Nevertheless, most of the young people are Communists, as our guide, who is as conservative as a Jewish peasant, complains in a Bavarian dialect. Maria Theresa had their ancestors transported from Upper Franconia as woodchoppers, and here they have remained under the shadow of the ancient Munkács fort, which is renowned for many historic murders and battles. They have their own life, their own schools and church. They get along well with the Czechs, better than they used to with the Hungarians—or so our guide announced loudly in public, but in his private chamber, when we said good-bye, he added these weighty words, 'Greet Germany and tell it that we are fighting here.'

MUNKÁCS, now known as Munkačevo, is the second largest city in the district, and most of its inhabitants are Jews. Nearly all these Jews are Chassidim. Here lives and rules like an absolute monarch the renowned miracle-working Rabbi Spira, the third of his dynasty, yet one witnesses only one real miracle, to wit, that this man, a fanatic and a clever politician, can bend ten thousand Jews to his will in the twentieth century and in a democratic republic. If he did not have another miracle-working rabbi in competition with him, a man whose influence extends from Galicia into Carpathian Ruthenia, he would be the undisturbed ruler of all the orthodox Jews in this country. But the two men live in a state of intense warfare. Each calls the other a charlatan and a deceiver, and they have hurled curses at each other's heads that have succeeded in slackening the chains of their tyranny a little. But even so, conditions are almost inconceivably mediæval.

The political rights that the state gives to its citizens are taken away from the Jewish citizens by their rabbi. He decides like a sovereign what party the pious shall vote for. They do his will, and therefore he is a political power to be reckoned with in the highest party places. 'You will not bear children if you do not vote the Agrarian ticket,' is the threat that the miracle-working rabbi makes to the Jewish women who come to pray in the synagogue of Munkács. But the Agrarians, the strongest political party in the country, are reactionary, and they show certain indications of anti-Semitism, fighting against the very interests that the Jews represent. The rabbi, however, always supports the powers that be. They give him in exchange unlimited authority over his Jews, let him prevent Jewish children from learning anything but the Talmud, help him to collect tremendous taxes, and give him the most extensive tyrannical power over the private lives of those who believe in him. That is why, as a pro-Jewish Czech supporter of Beneš told me, there is always danger of a pogrom. For the Ruthenians, who occupy the villages together with the Jews, are beginning to believe that the Jews, as well as the Agrarians with whom they coöperate, are their declared enemies.

The Chassidim also suffer from economic handicaps. Jewish communi-

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ties ruled by the miracle-working rabbi and his supporters levy the most severe and unsocial taxes. They use the symbolic social laws of the Bible despotically when it comes to financing their parishes. Indeed, one might almost say their 'courts' rather than their 'parishes,' because those who idolize the rabbi and live off the labor of others are numbered by the hundreds. They have all power, because they can, for instance, explain that all bread that a Jew bakes in his house with untaxed yeast is unclean. They assert that this or that person who will not do their bidding is not a good Jew and that he and his business must both be destroyed. Thus do these wretched, anxious creatures bow down before the degenerate outgrowth of a real religion. They are the slaves of their miracle-working rabbi and they will not be free until they dare to resist this power of darkness.

The miracle-working rabbi conducts his own courts of justice among his followers alongside the state courts. On one occasion, for instance, a Jew killed his brother. The sister-in-law had previously set the brothers fighting over an inheritance, and they had lived in the greatest wretchedness under one roof. The murderer received a three-year sentence from the state, and when he came out of jail the miracle-working rabbi laid a curse upon him and for eighteen years no one dared speak to him or give him work. No one could come within four yards of his presence.

What are the miracles that this arrogant servant of God performs? An hysterical girl maintained that a *dybbuk* had entered her, a *dybbuk* being the soul of a dead sinner who wants to force a living human being to obtain forgiveness for his sin from the person whom the dead man had injured. The injured party, it appeared, was the miracle-working rabbi. When the girl was brought to him, he graciously forgave the unknown sinner, and the credulous Chassidim believed they saw the body of the *dybbuk* leave the girl. Nevertheless, she remained just as hysterical as ever. Here is another instance. When the King of England was very sick some years ago, a telegram came from a believer in London asking the rabbi to pray for the King. When the crisis was passed, and the King had recovered his health, the rabbi allowed the telegram to be made public, and now his believers assert that the cure of the King of England was a miracle performed by their rabbi.

The Feast of the Tabernacles occurs. In every village wretched little tabernacles stand in front of the houses, and the miracle-working rabbi conducts religious services in his own private synagogue. Anyone can enter. In a bare room some two hundred people are standing with palm leaves in their hands, old and young, many of them beautiful, many with superb, prophetic faces. Most of them are dressed in great, white, silver-embroidered praying-mantles, praying, singing, and bowing down. The miracle-working rabbi stands at one side, praying, singing, and bowing. He is fat, gray-bearded, gross, and his eyes are closed. He is no holy man. All those present engage in an ecstatic dance accompanied by rapid, animated, worldly-sounding music, almost like jazz. Yet how remote from the world these believers are, followers of their magic-worker.

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Persons and Personages

Alfred Hugenberg

By Albert Werner

Translated from the *Vorstoss*, Berlin Liberal Weekly

WHAT a distance separates the young man who used to sit at table writing lyrical verses with Otto Erich Hartleben from the great 'press and film lord' who is being attacked more savagely than any other right-wing leader by his Marxian and Democratic opponents. The path he has followed has been one of hard work and success. Nevertheless, was not former Privy Councilor of Finance Hugenberg reverting to the uncertain romanticism of his youth when he leapt from the anonymity of secret industrial and political councils to the front rank of politics, becoming a relentless foe of the 'system'?

His work and planning remind one of Stinnes, but the very comparison contains a contrast. With Stinnes the passion for politics became something intensely personal. It was magnificent, and his sudden end, which destroyed his uncompleted plans, was dramatic because it meant that a man of genius had been snatched from the rhythm of contemporary life. Hugenberg as an individual is rarely seen outside of a very narrow circle of friends, and this circle is so self-contained that it enjoys but little notoriety. Hugenberg is more a concept, a system, something highly respectable but scarcely tangible. Even his friends call him a stone wall. A blameless burgher such as he, a man representing the kind of pre-war simplicity that is rare to-day, makes a sympathetic impression compared with the theatrical Cæsarism of the other leaders of the National opposition. Hugenberg is also a tactician of the first order, as his management of the Bad Harzburg convention proves, and he is a speaker and debater who does not lack charm. But his physical presence has no demonic qualities. Though a romantic, he does not possess the capacity to arouse enthusiasm. He is an active man, but his activity is confined to the narrow limits of rational functions, and he is a genius only in that he puts through his doctrines with superb tenacity. He is a master of horizontal organization, which is no reflection on the honesty of his desires and purposes.

During the last years of the nineteenth century, Assistant Judge Hugenberg of Hanover found his first sphere of activity in the Posen Commission on Colonization. He was entrusted with vital agricultural work conducted in the frugal tradition of eastern Germany and became director of the Raiffeisen Coöperative Society, whose task was to make agriculture increasingly independent. He then spent years in the service of the Prussian State, but in 1907 he resigned the post of Finance Councilor to which he had been promoted and shifted his efforts to private business.

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The greater opportunities in western Germany attracted him, and beginning in 1907 he spent two years as a director of the Mine and Metal Bank of Frankfurt-am-Main before he was made chairman of the board of directors of the Krupp works in Essen. In 1912 he was also made president of the Mining Association, holding both these posts until 1918, when his real life work began. This consisted of building up the Hugenberg concern, developing his great idea, which was that it was necessary for the economic system to be bound up with the state and nation and supported by a systematic chorus of public opinion. With conscientious care over the capital entrusted to him, he plunged into his new work with courageous determination. First he secured partial and then complete control. In 1916 he acquired the Scherl publishing house. He assumed control of the Telegraphic Union in 1919, which gave him influence over the professional press. He then acquired the Ala Advertising Agency to fill out his propagandist activity, and, finally, the Ufa film corporation, which he took over in 1927. Thus all his activities were knit into a single whole.

Much power brought many enemies. The relentless attack made on Hugenberg's person and enterprises by the foes of his national and individualistic theories of politics and economics speaks volumes for the positive accomplishments of a man who was able to gain control over the press, news services, and films. It is beyond the province of this essay to discuss critically whether and how far the intellectual mass products that he manufactures in accordance with the laws of competition, supply, and demand really strengthen and develop the creative powers of the German nation.

Hugenberg as an organizer is a clear-cut character. How does he stand as a politician? After the German National People's Party was decimated at the polls in 1928 he became its acknowledged leader and thereby put himself at the head of those who opposed taking a middle course and participating in government. It was he who attempted to purge the party of its wavering elements and who coined the slogan, 'A block, not a jelly.' The banner of unrelenting opposition was unfurled. But on September 14, 1930, the National Socialists won a magic control over the voting masses. Thus the success of Hugenberg's whole experiment remains in doubt and it is yet to be seen whether what was once the largest bourgeois conservative right-wing party can again become a powerful factor in German politics.

José Ortega y Gasset

By Lorenzo Giusso

Translated from *La Stampa*, Fascist Turin Daily

I MET HIM one afternoon at the Cortes. His dark olive features, square, determined jaw, and well-proportioned figure indicate vigor, and the decisive impetuosity in his eyes certainly does not suggest a languorous

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philosopher absorbed in the absolute. At first sight, Ortega y Gasset looks as if he had once been a wrestler or a fencing master. His person is as anti-romantic as his philosophy.

Philosophy, he says, has lost its dizzy taste for extraspatial and extra-temporal ideas. The era of 'definitive philosophy' and the 'closed system' is over, and this intolerance of the closed system is widely diffused through his work. He is a true Mediterranean, a creature of seashore and sun with no metaphysical obsessions. The liberation from Plato that came to Nietzsche among the blue-incrusted rocks and dancing palms of the Riviera came more easily to this square-jawed, dark-haired Spaniard. Terms like 'being' and 'knowing,' 'reality' and 'appearance,' 'freedom' and 'necessity' play little or no part in his work. For him philosophy is the analysis of moral values, reflections on one's own experience, definitions of historic questions. 'Maximum problems' are relegated to the attic. And the outer texture of his philosophy is as anti-metaphysical as its content.

Ortega y Gasset's voluminous works consist of essays in which he approaches his subject through chance encounters with the most ordinary affairs of daily life. Since everything inspires him, his essays might be compared to those of Montaigne, in that they augment our enjoyment of the earth—whether he describes his impressions of a journey through Castile, the appearance of a dandy on the seashore at Biarritz, the music of Debussy, the ultramarine 'Bacchanal' of Titian, the popularity of sport, or a chapter of Hegel.

Anyone who comes to these airy pages, after reading philosophy that is faithful to traditional forms, has the pleasant sensation of passing from a cold, scholastic hall into a garden restaurant full of swaying palms and colored fountains. I do not mean to give the impression that Ortega flounders in a watery play of unconnected movements, or that he lacks unity. In my opinion, his unity lies in a continuous, systematic contrast of the 'good European' of Nietzsche with the eighteenth-century, bourgeois *prud'homme*. His essays revise and sometimes completely overthrow that complex structure of moral, artistic, and social relationships that we associate with the nineteenth century. Certain canons that dominated that period are subtly and cautiously rejected—notably its belief in the essential rationality of man and in his irresistible march toward progress.

Let me make myself clear. Ortega recognizes at the outset that the nineteenth century has given the world immense benefits. But, according to him, the values of the bourgeois *prud'homme* are incomplete. The eighteenth-century bourgeois composed a series of simple equations, of Utopian maxims in which he professed blind faith. 'The democratic state, for example, was possible because there existed an admirable political creed, a system of splendid phrases in which many people had faith; it was believed, for example, that the manifestations of the rational man were superior, and Spencer foresaw humanity being redeemed by the industrial spirit, which would dissipate the spirit of war. Above all, the bourgeois made himself the centre of historical evolution, the Sinai of humanity.

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During the eighteenth century he became saturated with the industrial spirit and careful of his business, and stabilized a series of equations designed to outlaw war. The Middle Ages were made synonymous with harshness and a veil was thrown over everything that did not belong to "rational" man. It was believed that distinguished work could be produced only through justice and peace.'

ACCORDING to Ortega y Gasset, we are witnessing a transvaluation of these values. The world is rejuvenating itself, rooting itself in its instincts, becoming less afraid of the risky and warlike forms of existence. 'Our epoch,' he writes, 'opens with a prelude of triumphant cynicism. To-day direct action is extended to everything. If we reconstruct the history of the last twenty-five years we see that the syndicalist type of action and its peculiar moral style were the forerunners of the "sincere" spirit. Sincerity has brought about a splendid nakedness of things. This sentiment signifies a return to a natural state and undoubtedly means a rejuvenation of the world.' Starting from this premise, he reaches a courteous iconoclasm that reflects a certain 'Mediterranean health' reminiscent of Nietzsche in its attitude toward the styles and postures of the nineteenth century. In this manner, he denies that man is a coagulation of rational principles, and that the highest life is the 'virtuous mediocrity' dear to the eighteenth century. His sympathies go out to the 'ascendant' life, to those outstanding individuals 'who disgorge their actions in a torrent of energy, who do not perceive their own limits, who seem saturated with themselves.' In such a vital atmosphere there can be no room for envy, irritation, or resentment.

In another essay, 'Viaje en Castilla,' we find warm praise for the Castilian *hidalguía* and for 'the spirit of the warrior, which does not consider the risks of an enterprise a sufficient reason for avoiding it.' The ideals of those proud, hard wielders of the sword seem higher to him than the ideals of the philanthropists, who wish 'to change the planet into an enormous clinic.' In general, a hierarchic life upheld by harsh and honorable laws, in which 'to serve' is an honor and not a disgrace, seems to him replete with sublime values. 'Fidelity' he regards as superior to 'contracts.'

'During the Middle Ages, relations between men rested on the principle of fidelity, which in turn was rooted in honor. Modern society, on the other hand, is based on contracts. "Fidelity," as the word implies, means trust raised to a rule of conduct, whereas a contract is a cynical declaration that we don't trust our neighbor when we deal with him and that we must therefore bind him with a material object.'

Another essay, 'El Origin Deportivo del Estado,' returns to his favorite theme that struggle is the foundation of civilization. He even insinuates that the state originated in an atmosphere of insolent and joyous rapine. The nucleus of the state should be traced to groups of young warriors who organized themselves to rape the women of the neighboring tribe. The athletic club should become the typical form of state organization, an idea

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that would make legal professors die of apoplexy. In such moral judgments one catches a trace of Nietzsche.

The same anti-romantic intolerance makes itself felt in his ideas on art. Ortega gladly seizes the opportunity to 'dehumanize art' and enjoys making fun of the romantic poetry and music that used to draw tears from the virtuous professor, the good bourgeois, and the young lady bookkeeper. An admirer of the warm movements of Titian's figures, he wants an 'ascendant' art from which the sentiments of the masses shall be excluded.

Anti-romanticism, anti-rationalism, love of the 'ascendant life,' scorn for petty humanitarian philanthropy, one can imagine the political terms into which such wisdom will be translated. This Mediterranean philosopher who is accustomed to the tropical sun and exalts feudalism, this friend of adventure and of those who play with death, cannot be an unqualified democrat. In his chief political books, *España invertebrada* and *La Rebelión de las masas*, the problem that stirs him is the problem that stirred Taine, Renan, and Nietzsche, the problem of the masses and of the competent minority, and the fear that the invasion of the masses may overthrow Occidental culture. It would be superficial to present Ortega as an anti-democratic thinker, but he certainly demands that democracy shall preserve a select minority in its bosom, and in any case he is opposed to rigorous Marxism, which considers culture as an interested ally of the bourgeois régime. His is a liberal position which reflects the liberalism of Renan.

RENAN was persuaded that the end of the cosmic travail was the expression of superior personality, and he believed that the salvation of the world lay in an oligarchy of scientists that could exercise a dictatorship and, when necessary, let loose terrible weapons of destruction on the rebellious masses. Ortega dwells on the same theme. What troubles him is the salvation of civilization and culture. Since he does not believe in rationalism in the sense that 'reason is deposited equally in every man,' he cannot conceive of the masses as a store of universal competence. For Ortega, 'the first and leading social fact is the organization of any human group into the leaders and the led. This presupposes that some have a certain capacity for leadership and that others have a certain faculty for letting themselves be led. When no minority acts upon a collective mass and no mass accepts the influence of a minority, there is either no society, or else the destruction of society is approaching. All forms of society presuppose this basic gravitation of common but healthy spirits toward distinguished personalities. Lack of docility means the dispersion of the individual, dissociation.' We now witness the masses revolting against minorities, not wishing either rulers or guides, something unknown in the nineteenth century. The masses are spilling over, anxious to live and enjoy life. Cafés, theatres, and athletic fields are crowded. The Sunday trains and beaches are jammed. The common man, elevated by technique and higher wages, does not think of life as a wearying journey full of torments and

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dangers in which one must content one's self with not being beaten too much. The world is now opening up before him as an airy, verdant playground in which he can expand indefinitely.

Six hundred years ago merchants set sail fearfully because they were menaced by pirates. To-day a trip around the world is a delightful sport. Similar changes have contributed to the masses' present conception of the world. To save the achievements of the superior spirit from undisciplined invasions is one of the problems of our time. But Ortega does not see salvation in military and aristocratic oligarchies or in the strengthening of anti-proletarian forces. The solution he proposes looks rather to the future and is embodied in a concrete proposal of European federation. When Maurras says 'Repression,' he answers, 'Solidarity.'

Europe is suffering from the lack of a leading class. She has ceased to command because she is caught by the petulant vampire of little nationalisms. Europe is being impoverished and ruined by the cupidity and discord of restless show-offs. The belief is increasing that she is no longer capable of ruling the world and that her leadership should be transferred to America and Russia. European industry cannot make the necessary profits, hemmed in as it is by tariff barriers. Production is declining and culture is decaying through lack of unity. Ortega believes that salvation lies in a concrete solidarity of Europe, in the renaissance of a complex civilization similar to that which made the magnificent expansion of Christian civilization possible. America has become great because no internal rivalries have existed. Europe is on the way to dissolution because of national hatreds. The problem of aristocracy thus receives a democratic solution at Ortega's hands.

The Nietzschean themes that run through his work are rearranged in a stylistic unity that is completely Latin. Favoring neither Napoleon nor the Borgias, Ortegay Gasset does not dream of an impossible aristocracy or iron supermen. He is the acute and wise interpreter of a change of values which causes life to grow young again. He is the interpreter of a rebirth whereby life again becomes pleasing as a risk, an adventure, an outpouring of superior forces.

Princess Lichnowsky

By Kurt Reibnitz

Translated from the *Prager Tagblatt*, Prague German-Language Daily

EARLY in January 1924 I traveled from Ratibor to Berlin with Princess Lichnowsky. In Silesia and Brandenburg it snowed like the very devil. Our train was three hours late, and just after Liegnitz the lights went out. The conductor brought little tallow candles, and Princess Lichnowsky, who was traveling with her son, Prince William, took charge of the lighting arrangements. She kept the wick erect with a hairpin and fastened each

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new candle to the stump of the old, so that the little flickering light lasted us all the way to Berlin. She did all this with a graciousness so charming that I would have exchanged it for all her books, though I am very fond of her book on Egypt, as well as of *Stimmer*. As we traveled the conversation turned to modern art, the latest books, and politics. Courageous and loyal, she passionately defended Prince Lichnowsky's policy in London before the outbreak of war.

Soon after, we met again at a small dinner at the house of Hedwig von Boddien, *née* von Mutzenbecher, the patroness of many young artists. The Prince was with her, and the Princess's charm had vanished. Her face was hard, unfeminine, pinched; her manner sullen and ill-tempered.

Mechtilde's youth was a happy one—winters in Munich, summers in the country at Schönburg-bei-Pöcking in Lower Bavaria. She was the third of six sisters, with two brothers in between. She described this youth in her first book, *Götter, Könige, und Tiere in Aegypten:* 'When I was little I hunted for bumblebee nests and when I found one I would build a little cement house with a roof and a window over the little hole in the ground. All the bumblebees had to come and go through this hole. They quickly became accustomed to it, and I sat there and got to know all the inhabitants—bumblebee Anna and bumblebee Sophie and the bumblebee bears.' Of her lessons she wrote: 'I learned world history under a pear tree, world history in the August sun with sparrows twittering in a shady ivy-covered wall.'

A love for nature has accompanied Mechtilde all her life. Nature intoxicates her, and she feels a great love for animals. In another book, *Kampf mit dem Fachmann*, she wrote: 'With a weasel, a cat, some dogs, three linnets, two thrushes, fourteen great titmice, two blue and three wood titmice, a bat, and a tame caterpillar I can while away hours, yes, days, years.'

In the autumn of 1901 Lichnowsky became prince through the death of his father and inherited the great family estate in German and Austrian Silesia. As the last of his line, he was obliged to marry, but he took his time about it. In the spring of 1904 he met the young Countess Mechtilde Arco in Munich. She was then twenty-five and had already been out in society too long. She had made her début eight years before and had not yet found a husband. She was energetic, abrupt, and eccentric, and young men were afraid of her. Karl Max Lichnowsky proposed to her. Elisabeth von Heyking's diary gives a description of him at this time: 'I was immediately struck by his exceptionally shrewd face with its deep-set, intelligent eyes and the brow of a thinker. It is a real pleasure to talk with him, for one feels as if one had known him for years. He is absolutely natural, and never indulges in banalities. Nor has he any prejudices.'

The young Countess accepted the Prince's hand, certainly out of respect for him and doubtless in the hope of leading a different life. That this would be a magnificent one made no difference to her. As Ruskin said: 'The essence and condition of all wealth is in the last analysis the procrea-

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tion of as many chubby-cheeked, clear-eyed, joyous creatures as possible.' First Mechtilde fulfilled her duty of grafting new scions on the old stock. In 1905 and 1907 she presented the Prince with two sons, a daughter coming in between.

Then she began to write. A trip to Egypt resulted in her first book, *Götter, Könige, und Tiere in Aegypten*. A fine book, in which she did not go beyond her powers. Later she wrote a novel, *Geburt*, and a play that Reinhardt produced in the spring of 1919. To these works we may apply Goethe's dictum: 'It is of the nature of dilettantes not to recognize the difficulties inherent in a subject and to be forever undertaking things for which they lack the strength.'

That neither the novel nor the play appeared until after the War was due to the break in the Princess's life caused by her husband's diplomatic career and the War. In the autumn of 1912 Prince Lichnowsky took Marschall's place as ambassador in London. The new post interested Mechtilde, and she helped her husband in every way she could. The great name, wealth, and style of life of the princely pair pleased English society. For many years there had been no women in Carlton Terrace. Paul Hatzfeldt was separated from his wife, and Metternich was a bachelor. By the end of the first season, in 1913, the Prince and Princess had made a firm place for themselves socially. This had its political effects. Lichnowsky received an honorary degree from Oxford, an honor accorded to no German diplomat since Bunsen. Mechtilde loved England and the English and felt the truth of Goethe's words: 'The English are perhaps the best fitted of all nations to impress foreigners. Their personal calm, security, activity, stubbornness, and prosperity give an almost unrivaled example of what all men wish to be like.'

Mechtilde's life now had meaning. Her sole wish was that everything should remain as it was. Then the War broke out; the Princess went to Upper Silesia and the Prince entered General Headquarters at the Kaiser's request. He was badly treated there. He was considered a fool who let himself be duped, and impudent lieutenants chalked on the back of his automobile: 'Do not tease this man; he is harmless.' Broken in health and embittered at heart, he left the Kaiser and General Headquarters and shut himself in Kuchelna, his German castle. He brooded over what he read, criticized the German policy, grumbled, and found fault. His old trouble, neurasthenia, returned.

THE Princess, now thirty-five years old and at the height of her feminine powers, despaired. Even before the War she had written in her book about Egypt: 'I feel strong enough to accomplish the impossible. I could stand motionless for hours in the same spot in the sun—I could draw a wagon like a horse, heeding every hint of the driver—I feel in myself an uncommon ability to solve difficult problems.' She built up her own life—winters in Berlin, summers in the country. A group of artists, poets, and writers

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flocked about her; Karl Kraus of Vienna was her idol. She hated court society, Silesian magnates, and high officials. She hated snobs, who were already springing up again in the Republic. Gregariousness was contrary to her nature. She had already written in her book on Egypt: 'They are talking, shouting, laughing, there where the desert is so silent and the heavens are so awe-inspiring. They are talking about clothes, tailors, shops, and parties. What have they to do with this great freedom that belongs to us alone?'

In these post-war years Mechtilde experienced a great love. Its object was a quiet, fine, intelligent man from the noisy world of the theatre. Her motto was Nietzsche's saying: 'To live dangerously is to reap the greatest pleasure of life.' She lived dangerously.

In February 1928 the Prince died. She could then have publicly married the man whom she had so long loved. But she hesitated. Did she lack the courage to lead a new life, or was she thinking of that other great lady, Princess Lieven, who refused the hand of Thiers, the great statesman and historian, with the now famous words: 'La princesse de Lieven ne peut jamais être Madame Thiers'?

A year and a half later the man whom she had loved passionately for so many years died suddenly before his time. She went traveling in the troubled and restless mood that Stendhal has described in a letter: 'I only wish I could wear a mask and change my name.' That dreadful dog book, *An der Leine*, was not only written, but printed and sold. It comes to a climax, on the last page, with a list of all the pet names of her dearly beloved dachshund: 'Lurch, Niederl, Mildi, Knyperdolling, Dacka, Dackatina, Gling-gi, Gling-gling, Hunda, Hindi, Schweiferl, Luwerl, Kralla, Sisi, Licherl, Puffzi, Nirw, Natter, Mokkasinschlange, Safflanatta, Wuffzi, Lieschen, Si-Siling, Gi.'

At a time when Germany was moaning and groaning, an intelligent woman was writing a three-hundred-and-twenty-page book about her dog. And she, a German of the Germans, left her native land forever to live on the coast of France, one of the uprooted and homeless souls of the Riviera.

Before his death Walter Rathenau wrote to his friend, Lore Karrenbrock: 'I also have sought with all the strength of my soul a person for whom I might sacrifice my whole life, but I have found none. Who knows what would have happened to me if I had found such a person?'

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One of the best young economists in France says that the fall of the pound marked the end of the British Empire. A brilliant essay in economic history.

Pound *and* EMPIRE

By Francis Delaisi

Translated from *Le Crapouillot*
Paris Topical Monthly

September 23, 1931, marked a great date in universal history. The abandonment of the gold standard by the Bank of England was not a simple monetary accident. It marked the end of a long struggle that started more than fifteen years ago and the end of a political and economic system that dominated Europe and the world for over a century. To measure the importance of this event we must establish its true place in the conflict of the great historic forces that led to it and of which it was the final manifestation.

From the time of Julius Cæsar to Queen Elizabeth, England was a nation of farmers and shepherds governed by a warlike nobility, sometimes invaded by its neighbors, sometimes invading on its own account. It was a kind of annex to the continent of Europe.

The discoveries of the great sixteenth-century navigators revealed the importance of the sea. The menace of the Invincible Armada obliged England to equip itself with a navy. Commerce with the Indies, the establishment of colonies abroad, and the granting of charters to certain companies created new sources of wealth. Shipowners and business men began to gain ground in the House of Commons, and their influence balanced that of the landlords. England became at once agricultural and maritime. A series of wars eliminated rival navies until England won uncontested mastery of the seas at Trafalgar. But sailing vessels could only transport merchandise of great value and small volume, and an agricultural civilization can produce little of such merchandise.

Then came the steam engine. One inventor applied it to spinning, another to weaving, and a third to transportation. England had below ground all that it needed to create the new kind of equipment. And the capital it had accumulated from ocean commerce financed the first factory. Turning out standard goods at low prices before anybody else did, British industry soon found clients on the Continent and later in more distant lands. Coöperation between shipping and industry pro-

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duced the iron steamboat, which solved the problem of transporting heavy merchandise of small value. Oversea wheat then began arriving in London, along with cotton and wool. Peasants deserted the field for the factory. Landlords tried in vain to save the revenue from their farms by means of protective tariffs. But what was the use of growing wheat at a high cost when it could be imported from America more cheaply?

Furthermore, since England wanted to sell manufactured goods overseas, she had to buy something from abroad in return. The textile and metal industries took it upon themselves to feed Great Britain by means of exchange, and in 1832 the landlords yielded. The industrialist and his ally, the shipbuilder, dominated the House of Commons, penetrated the House of Lords, and selected His Majesty's government. England had deliberately sacrificed her agriculture to her industry.

The next fifty years, from 1830 to 1880, witnessed a tremendous expansion. The European continent, which had not yet been industrialized, purchased increasing quantities of Lancashire textiles, steel, machinery, and coal from the Midlands. At the same time Europeans continued to emigrate overseas, where British firms found new clients. English industry worked for the whole world. English vessels transported not only English merchandise but the merchandise of other countries. Brazilian coffee had to pass through London on its way to Hamburg. London became the general trade and distribution centre of products from all over the world.

Then a new device developed. The Hamburg purchaser became accustomed to paying the Brazilian coffee-seller with a sterling draft drawn on an English bank. Gold mines found it convenient to put their ingots in British ships that took them to London. The Bank of England gave sterling bills of exchange at a fixed rate in return for all gold that was offered. And, since all drafts were issued in terms of sterling, they were based on gold. When more gold was offered than was demanded, the Bank of England kept the surplus in its vaults. When more gold was demanded than was offered, it raised the discount rate in order to maintain its reserves. Thus a fixed relationship was established between gold and merchandise. The pound sterling became the stable currency *par excellence*. Not only commercial exchanges, but freight, brokerage dealings, and insurance were conducted in terms of sterling, and this practice was not confined to transactions between the British and their creditors or debtors but included transactions between foreigners. The variations in the discount rate of the Bank of England determined the rise or fall of the discount rate in all other banks of issue. The pound became the universal instrument of international exchanges. But all these operations having to do with commerce, brokerage fees, and discounts brought in a yield that was only partially expended. Capital accumulated in the banks and looked for remunerative employment. The bankers therefore invested it partly in short-term loans to British commerce, partly in long-term loans to British industries, whose equipment was thus increased.

THEN the Continent began to equip itself industrially, and, lacking sufficient financial reserves, it borrowed from London. Immigrants to America, Australia, and the colonies and foreigners in the Orient did the same thing. Loans to private companies and governments multiplied in London. Even stock that was issued elsewhere looked for buyers on Lombard Street,

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and the City became the great capital market of the universe.

The banker, who had timidly remained in the background behind the shipbuilder and the industrialist, then began making his way to the fore. For a long time industrial exports had not been sufficient to cover the enormous deficit that the country was piling up by purchasing raw materials and food stuffs, and the trade balance showed a constant deficit. The receipts of the steamship companies, in spite of the enormous sums they received from abroad for transporting merchandise, could not cover this deficit. But the banks and insurance companies, with their discounts, commissions, brokers' fees, bonuses, and coupons, assured equilibrium and even a surplus in the total balance of payments.

At this point the financier demanded a place in Parliament, society, and the Cabinet. Rothschild became a lord, and from the time of Disraeli to that of Rufus Isaacs, now Lord Reading, the Bank of England has inspired or directed His Majesty's councils, working in close agreement with the coal, iron, and textile magnates and with the potentates of the big shipping companies. Industrial and commercial operations increased the activities of the banks and their revenue from capital, and loans from the banks financed the construction of new machinery and encouraged industrial and commercial activity.

In order to gain the confidence of their increasing number of clients the English banks established branches in all foreign markets. In order to keep posted on the movement of merchandise, ships, and capital, and also on political events that might affect the course of such movements, the British laid submarine cables, all of which happened to lead to London. When a French admiral bombarded the capital of Siam, the French government learned the news from the English papers. Thus the British statesman, banker, business man, and industrialist knew before anybody else what was going on in the world and profited before anybody else could. For fifty years England benefited by the head start that her industrial and banking technique had given her over the rest of the world, and when by chance some coalition made so bold as to bar her way the power of British industry and capital always enabled England to draw up a navy larger than the combined forces of the two next largest navies in the world. At any moment she could cut off any power from the seas, but no one could cut her off. For a century forty million British living on two little islands were able to dominate three hundred million Europeans massed on the Continent. In this way, by judicious, methodical application of modern technique, the most powerful empire that the world has seen since the time of the Roman Cæsars was formed. It rested on three supports, —the fleet (both the merchant marine and the navy), the factory, and the bank,—and the keystone that maintained perfect equilibrium was the stability and universality of the pound sterling. We shall now see how these three supports collapsed one by one, leading inevitably to the supreme danger, the definite fall of the pound.

DURING this marvelous period of growth, Europe became industrialized little by little, partly with the aid of British capital and machinery. Formerly England had only one rival, France, but France always hesitated between agriculture and industry, between Continental politics and colonial expansion. The Fashoda incident in 1898 put her out of the running as a colonizing power, but a new adversary appeared. Young, unified Germany with its sixty-

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three million inhabitants had patiently copied British industry and banking. Finally, it wanted a merchant marine, and also a navy whose dreadnoughts would by 1914 equal those of England in number and power.

'Our future is on the sea,' the Kaiser said. Instinctively all his neighbors—English, French, Russian, and even Italian—drew together to bar his way to Africa and the Far East. He then fell back on the plan of a Hamburg–Bagdad empire, and a railway was built across Serbia. The revolutionary shot at Serajevo set off the explosion. The victory of the Central Powers would have meant a united Europe grouped around Germany. What would forty-five million British amount to compared with this empire of three hundred million people armed with modern equipment? It was the Napoleonic block all over again. England's adversary had changed but the peril remained the same, and England threw herself into the battle with all her strength.

But modern war is chiefly a war of *matériel*. At the end of a few months the factories of France and England could no longer make all the cannon and ammunition that their armies and the other Allies needed. The United States was therefore appealed to, and its metallurgical and chemical industries received an unexpected stimulus.

But these supplies had to be paid for and, at first, London and Paris paid for all the Allies. France pledged her gold, then the securities she had borrowed from individuals, and, finally, when all her reserves were exhausted, she borrowed from London. Then England financed the War alone. But in the winter of 1916 England came to the end of her rope. The British Treasury had paid American manufacturers in innumerable short-term notes that it could not meet. For the first time, English credit was threatened, and Wilson was talking of a peace without victory.

At this point the amiable Balfour and the subtle Reading went to America. 'If we make peace now we are ruined, and you will lose your credits,' they said to Wall Street. 'If, on the contrary, you enter the War, we shall win, and you will be rich.' Washington hesitated, but American industry, which had just immobilized huge sums, could not stop suddenly. Furthermore, Germany's submarine warfare, by blocking the ports and stuffing the grain elevators, had irritated American farmers from Montana to Arkansas. And, finally, a wave of idealism swept over the country in the form of a 'crusade' for justice and democracy. The federal government launched enormous war loans on the national market, and with these it paid its own industries for what they had furnished and would continue to furnish to Uncle Sam's associates. America alone became banker for the War. Thanks to American indorsement, the signatures of England and France were not protested. Honor had been saved, but England and France had been transformed from creditors to debtors—and short-term debtors at that. The pound sterling had suffered its first attack.

Bells on November 11 announced the victory of democracy. The Treaty of Versailles consecrated the triumph of the British Foreign Office. Germany lost part of its coal, its best metallurgical factories in Lorraine, and part of its railway equipment. Its big passenger vessels were sold and its navy was bottled up in the bay at Scapa Flow. The holdings of its banks abroad were confiscated and its budget was weighed down with a heavy debt that no one imagined could be paid. The abhorred competitor seemed to be completely knocked out.

France was devastated and needed ten years for reconstruction. Russia

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had fallen prey to revolution. Eastern Europe was divided into small sovereign states, so ingeniously chopped to pieces that eternal jealousy would prevent them from ever being united or accepting the rule of any one power. Thus the spectre of unity on the continent of Europe had been dispelled. The United States, disgusted and deceived, had returned to its state of isolation. Lord Curzon believed that he could rule in peace over an empire extending from Cape Horn to the Bosporus and from the Caucasus to Singapore.

BUT there was one liability to balance all these marvelous assets. The United States had by this time developed a powerful industry supported by an immense domestic market and was magnificently equipped to export its products. Though it had not created a merchant marine of its own it had bought the best German steamers, and its navy was on the way to becoming more powerful than that of Great Britain. Finally, America was bloated with capital. In 1914 it owed money to Europe, but by the end of the War it had not only wiped out this debt, but was owed ten billion dollars. The dollar had become the only stable currency. Wall Street was able to become the great capital market for the world. The War had rid England of one rival but had given it another more powerful and more rich in every respect.

In this immense conflict the French had won the military victory, the English the diplomatic victory, but the Americans the economic victory; and the economic victory is the only one that really counts. Uncle Sam made his former associates feel this sharply. Early in 1919 he dropped the financial agreement that had maintained Allied currencies at par. England, whose balance of payments showed a deficit, stopped gold payments, and the pound depreciated more than ten per cent. It was the second time this had happened, and now it was admitted and revealed for all to see.

The situation had to be remedied. First of all, the Washington Conference in 1922 established a fixed relationship between the battleships of the Great Powers. Though it gave England temporary inferiority, at least it prevented this inferiority from increasing. Then Mr. Baldwin obtained settlement of the war debt to the United States in the form of annuities extending over sixty-two years. Since the annuities were supposed to equal the payments that the Allies would make to England it was assumed that this item was eliminated from the budget. Then England was ready to stabilize the pound sterling, the keystone of the edifice that would maintain intact the three pillars of the Empire—industry, maritime commerce, and banking.

Here two alternatives presented themselves. Should the pound be stabilized at its considerably depreciated value or should it be raised to its former value? In the first eventuality, the Treasury, by paying its debts in depreciated money, would ease the budget. Industries would have their debts reduced from ten to fifteen per cent. Thus they could lower prices by an equal amount and fight victoriously against the new competition of the Americans.

On the other hand, it was also true that all creditors, whether national or individual, would have their capital and revenue cut ten or fifteen per cent. Since savings, in which bankers are primarily interested, were declining, the discount rate would have to be increased. Inevitably borrowers would turn to the American market, where more abundant capital would be offered at lower rates, and lenders would prefer to buy securities payable in a

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currency whose value had not fluctuated. In other words, depreciation of the pound would lead in the long run to the financial predominance of Wall Street over London.

In the second eventuality, the pound sterling would regain all its prestige. English banks with reserves that had been held intact and that had even increased during the War would be able to meet the enormous credit demands from every country. London, lending at the same rate as New York, but enjoying the advantage of greater banking experience and holding its old clientele, would remain the chief financial market of the world. It is true that British industry would lose all advantage over American industry. Moreover, paying its debts on a gold basis, it would be at a disadvantage in comparison with European industries, which were paying in depreciated currencies. Already the number of unemployed in England exceeded the normal pre-war average.

A choice had to be made. Should the pound be raised and industry sacrificed, or should sterling be allowed to depreciate and the banks be sacrificed? The English government did not hesitate, and in 1925 the pound was stabilized at its old level, $4.87. Exports at once declined. Workingmen refused to accept lower wages. For eight months the coal strike paralyzed British industry and lost it most of its markets. The four great trade unions brought England close to revolution. But the government carried the day. Certain key industries were safeguarded and the taxes laid on competing foreign products amounted to a veritable tariff. All the unemployed, no matter how numerous they might be, were given the dole, which was high enough to allow them to wait in idleness for better times. Once, in 1832, England had sacrificed its agriculture to its industry. Now, in 1925, it sacrificed its industry to its banking system.

In acting this way the ruling class had not tried to establish a just equilibrium between the different imperial forces, but had simply tried to maintain the supremacy of one of these forces throughout the world. It seemed to assume that the industrial crisis would not last, just as it was assumed that the World War would have to be a short one. But it also happened that France and Belgium, by stabilizing their currencies at very low figures, had lightened their industrial debt charges by four-fifths and six-sevenths respectively. Big German industrialists, well equipped with dollars, rationalized to the hilt. All these industries reappeared on the international market, and American exporters made up for the high value of the dollar by extending long-term credits and invading South America and the Far East.

More and more merchant vessels lay idle in British ports. Every day more factories closed their doors. The army of the unemployed kept growing and public expenditures increased. It has been calculated that in seven years the dole has cost England more than the World War.

To maintain this stationary army, taxes on private wealth assumed immense proportions at a time when incomes were declining. Under the pressure of the persistent crisis the best companies reduced their dividends and the Stock Exchange slumped. Savings diminished. The Stock Exchange declared that new issues would be confined to what was needed for national and colonial enterprises. For the first time, the British market was closed to foreign borrowers. It ceased to be international.

Wall Street naturally profited. South America paid back some of its former

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London borrowings in dollars. Three-fourths of Canadian business is now financed by New York. South Africa and Australia began borrowing money from the United States. The Bank of England gave way, and the gold bond that attached the Dominions to the metropolis weakened.

Then came the American crash in October 1929. It was discovered that the United States had gone in for tremendous banking inflation, and that the foreign credits which it had extended had unleashed a frightful crisis of overproduction on the rest of the world. Too much wheat, too much sugar, too much cotton, rubber, copper, tin. All oversea countries, which were selling their goods and raw materials at a loss, reduced their purchases and could not even pay interest on their loans. Fewer foreign drafts were drawn on London banks. Freight receipts declined, and the revenue from capital investments abroad, which had diminished one-third in the space of two years, was not sufficient to maintain the balance of payments. The Bank of England could not keep its reserves above the gold-export point without the aid of the Bank of France and the Federal Reserve System. The gold that arrived from the Transvaal every Tuesday simply touched London and then set forth for Paris or New York. The pound was leading a hand-to-mouth existence.

What was to be done? Make a change of policy, lower the British standard of living to the level of national resources? No, the City refused to let the pound be touched. The trade unions did not want the dole cut, and the Conservatives consoled the industrialists by promising protective tariffs.

From top to bottom of the social ladder the English gritted their teeth as they have done during every tragic period in their history. The whole nation waited with a mystical faith for the return of prosperity, the resurrection of Queen Victoria. But English bankers and economists felt the immediate danger. They proposed a redistribution of gold, since that would save them for a while. All nations with deficits joined in a chorus of approbation, but those with gold preferred to keep what they had.

At this point the Bank of England began to play a very clever game. In order to create disposable funds for itself it had formed the habit of rediscounting some of its holdings at the Bank of France. At the end of 1930 it had obtained seventeen billion francs in this way. Since the United States had repatriated some of its capital investments in Germany since the crash, the Bank of England replaced the Americans, lending French money on longer term but at higher interest to the German banks, who used this money to finance their own exports, notably to Soviet Russia.

Then came the Hitler incidents of last summer. German capitalists grew frightened and transferred their money to Amsterdam, Basel, Zürich, Paris, and New York. Chancellor Brüning asked the Bank of England to extend more credits to prevent the mark from falling. Sir Montagu Norman turned to the Bank of France. Then the prudent Frenchman discovered that his money, which he thought was at his disposition in London, had been immobilized in Germany and even in Russia.

His first gesture was to refuse to do anything, but if the pound were to fall how many French banks, stuffed full of sterling, would have to close their doors? Moreover, a fall in the value of the pound would increase British exports and thus depress still further the French balance of trade and aggravate unemployment, which was just beginning to make itself felt in France.

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The Bank of France and the Federal Reserve therefore agreed to extend to the Bank of England a credit of ten billion francs in the hope that the money that had fled from London would automatically return. In short, the astute Montagu Norman had played the card of international solidarity of exchanges and forced Paris and New York to come to his aid. The pound sterling was saved.

In granting England the credits that had been asked for, the financiers had made conditions: it was obvious that they could not keep repeating this gesture indefinitely; therefore England must agree not to buy more than she could pay for abroad and the Treasury must prevent expenses from exceeding revenues. In consequence, the new National Cabinet announced that it was going to limit imports by a protective tariff, reduce unemployment benefits and official salaries, and thus balance national payments and the budget. The only trouble with this courageous programme was that it was adopted too late.

ALAS, when an organism has reached an extreme point of weakness the smallest incident can occasion a violent crisis. One morning the stupefied British learned that the sailors of the Atlantic Fleet had refused to obey when they were ordered to depart for their grand manœuvres. Was this military sedition, or a Bolshevik manœuvre? Neither. Modern British sailors are not adventurers who are recruited at hazard in various ports; their horizons are not limited by their life on board ship and they are not subject to strict military discipline. British warships have become floating factories, and the navy demands mechanical specialists. Recruits are promised when they enlist that they shall be taught a good trade free of charge. After serving, they are assured against the risk of unemployment, since they can find well-paid, skilled labor in civilian industry. Enlisted men therefore consider their ship as a school of apprenticeship. They look upon their service as a course that is taught them by officers who serve as professors, paid by the state. If the state changes their enlistment conditions and reduces their pay in a way that they believe to be unjust they naturally strike. That is why they sat on anchor chains when they were ordered to pull them up. The admiral in command of the Fleet declared in the report that he submitted to the Government that discipline had not been affected.

Nevertheless, this gesture, a logical consequence of universal industrialization, provoked profound emotion throughout Great Britain. The whole property-owning class always believed that the national forces assured national defense and social order. To attain the latter objective all that is necessary is for a few troops of well-armed men to obey their orders without hesitation or murmuring. When it became known that the sailors of the Atlantic Fleet had held meetings for three days, refusing to move their vessels, and that the officers had politely negotiated with them, a kind of terror seized everybody. Rich people saw a repetition of the *Potemkin* incident in Russia passing over England, and remembered that German sailors in Kiel raised the Red flag in November 1918.

Although during this absurd panic all the important capitalists, both Conservatives and Liberals, lords and bourgeois, ran to their banks to give orders for their capital to be transferred abroad, Paris and New York loyally fulfilled their word and bought all the pound sterling that was sold by excited Englishmen. Finally, those

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who could not sell in Paris or New York began selling in Amsterdam, and many foreign bankers who also held pounds did the same thing. But in Amsterdam there was no agreement nor any credit available to maintain the pound sterling, so that the following strange spectacle occurred. The pound sold at par against the franc and the dollar but lost ten per cent in relation to the Dutch florin.

This could not last, especially since the French and American credits, which were supposed to maintain the pound for a year, had been almost exhausted within a few days. The Bank of England therefore officially announced that it was going off the gold standard. After two years of factitious equilibrium the pound was swept away by a hemorrhage of capital funds that followed a crazy panic. After having had blind confidence in their Empire for too long a time, the English middle class upset it in a moment of ill-considered defiance.

SINCE then, the value of the pound has fluctuated in accordance with demand and supply. Unquestionably it will be stabilized again in a few months at the value that the world at large and the English themselves place upon British assets after liquidation is completed. The pound will then become a national currency like all the others. It will no longer be the international monetary standard in terms of which the immense majority of world transactions were conducted and which used to give the City a kind of universal banking sovereignty.

The fall of the pound marks the end of a magnificent epoch. The nineteenth century was veritably Great Britain's century. When European civilization entered the new machine age, England led all the other nations. Forty million English maintained their control over three or four hundred million continental Europeans by the superiority of their industry, their fleet, and their banks. The Victorian era will remain one of the most successful in all history. Unfortunately, the English who were born in Victoria's later years were not able to resign themselves to seeing their neighbors on the Continent adopt modern technique. They wanted to defend their industrial supremacy by force of arms. And in this way they lost their maritime and banking supremacy. By destroying one rival they created another, and their efforts over the past ten years to reëstablish themselves have definitely failed. The three pillars of their power have collapsed one by one and the keystone of the arch has fallen. The empire has been destroyed.

But England remains. We must not paint the present picture in too sombre colors. Within a few months, British currency will be stabilized once more. The capital that fled the country will return as French capital did in 1927. Industries that have been helped by the depreciation of the pound will enjoy fresh activity. The nation will then have the choice between two policies. It can fall back on itself and become an immense emporium with no more business than a small shop yet with forty-five million employees who cannot be fired—all of which means exposing the nation to dangerous convulsions. The alternative is to join forces with Europe. Since Napoleon's time the Foreign Office has always based British security on a divided Europe and has set Germany at odds with Russia or France, or else set France at odds with Germany. Even the League of Nations in British hands was simply a means of prolonging these conflicts without solving them.

To-day this game is up. England is now a debtor to France and the

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United States. Neither by diplomacy nor force can it prevent these two countries from coming to an agreement with Germany. Instead of scorning the Continent, England should unite with the Continent. Instead of dividing Europe, it should help make it one. The big key industries in the Midlands should be associated in the same holding companies with the industries in Belgium, the Ruhr, and Lorraine. Let us assemble into one consortium the textile industries of Lancashire, France, and Saxony. Let us merge the steamship companies—a task greatly simplified by the economic crisis, which is eliminating the weaker concerns. And, finally, let us bring all these forces to bear on Eastern Europe, where sixty million peasants are waiting to be admitted into Western civilization rather than fall to the level of the Chinese or the Negroes.

If this happens, the City will again become the great clearing house of transactions between Europeans and the rest of the world. England will soon find plenty of activities to nourish its working population by their own labors. No longer able to be the capital of a world empire, London can become the banking capital of Europe. Is n't that better than falling to the rank of capital of the British Isles? To do this England will have to renounce some glorious traditions, and most intellectuals are Conservatives who lack direct contact with economic reality, and they will resist blindly. An energetic will power must sweep a lot of old dust out of the Admiralty, the Foreign Office, and the universities, but England is used to such periodical house cleanings. Will the movement come from a popular leader who will have the working masses behind him, or from a lord who will make the necessary cuts in the name of the Conservatives? Will it be a Cromwell or a Disraeli?

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At the age of thirty-one, Noel Coward seems destined to equal if not surpass the achievements of Bernard Shaw. Here is a record of his career up to now.

The Plays *of* Noel Coward

By A. G. MACDONELL

From the *London Mercury*
London Literary Monthly

NO SOONER had Great Britain finished dealing with the German Empire, the Austro-Hungarian Empire, the Turkish Empire, and the Bulgarian Kingdom, than it was called upon to face a problem of a different nature, some might say of lesser magnitude, but unquestionably of a baffling character. It was the sudden appearance of a young man—he had been just too young to be a soldier when hostilities came to their abrupt, in the eyes of the armchair school of warriors a deplorably abrupt, conclusion—who was prepared to act, sing, dance, compose music, write lyrics, stage-manage, produce, and turn out one comedy per fortnight, separately, in pairs, or all at once.

It was not at all the sort of thing to which London, and especially the London theatrical world, is accustomed. Versatility is not looked upon favorably in the neighborhood of Shaftesbury Avenue. A man who has written a play that centres round, let us say, the discovery by a husband that his wife loves another, has usually got to go on writing plays that centre round that discovery. After ten years he may vary the theme by making the wife discover that the husband is the guilty party, but if he ventures further than that he is almost certain to be accused of levity, insincerity, and dilettanteism. When Mr. Noel Coward, then, shot, with the disconcerting precocity of Athena fully equipped from the head of Zeus, into the heart of the British Empire and displayed his shop-window dressed with his varying talents, half the people said it simply could not be true and the other half said that they had predicted from the very beginning that the War would bring changes.

But it was true. Mr. Coward really could do all these things and some of them he could do really well. But not all. That is a mistake that has been made by many, especially by the very young. It is the purpose of this essay to consider only the dramatic work of Mr. Coward and to try to sift the good from the less good and determine what Mr. Coward has done well and what he has done less well.

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It is seldom that the writings of a man who is only one-and-thirty years of age can be divided already into three distinct periods. Heaven knows how many more periods there may be before Mr. Coward 'writes himself out' at the age, say, of eighty-five, but so far there are three. The first period consisted of a swift succession of comedies and farces. These were hailed with ecstasy by the younger generation and tittered at doubtfully by the older, and they rushed their creator up to a dizzy pinnacle of notoriety. From that pinnacle his popularity as a playwright steadily declined into an eclipse of boos and failures. Alliance with Mr. C. B. Cochran forms the second period. A revue and a comic operette have been phenomenally successful, and another musical piece has just appeared. The third period has only just begun. It is Mr. Coward's new attack upon the art of play-writing and it contains one farcical comedy in his old style and one serious play in a style quite different to anything he has hitherto attempted.

LET us begin with the first period. Mr. Coward's earliest play, *The Rat Trap*, has not been produced on the stage but it has been, for some obscure reason, published. In his preface to the volume in which it appears, Mr. Coward says: 'I can still perceive some good moments in it . . . The great fault of the play is a desperate desire to be witty at all costs, but when the would-be pyrotechnical frills are torn away and a few pieces of untidy but real psychology emerge it is n't so bad.'

The odd thing is that the desperate desire to be witty at all costs does not succeed at all. The first act, which contains most of the would-be frills, is full of this sort of thing: 'She says she could n't live without the classics, and seems to imagine that the classics could n't live without her,' and 'Love should be free, absolutely free always, like the National Gallery'; 'It's an ill wind that blows somebody something,' and 'Marriage nowadays is nothing but a temporary refuge for those who are uncomfortable at home.' With the help of these pyrotechnics, Act One tells us that a dramatist is going to marry a lady novelist and that they adore each other. Six months later, in Act Two, they are bickering their heads off. The dramatist is also inconceivably offensive to their housekeeper, and the curtain descends on the lady novelist getting home with a quick hook to the dramatist's left ear. Act Three is a mass of padding that discloses the dramatist's infidelity with a chorus girl, and the 'curtain' again is a slashing row. Then, oddly enough, the fourth act comes to the rescue with a queer little touch of sincerity. There is a reconciliation between the pair, not, as might have been expected, on the basis of true love misunderstood and a sop to the gallery, but on the much braver lines that the wife no longer loves her husband but is prepared to rub along as best she can. The last few pages of *The Rat Trap* might be considered as a justification for reprinting it.

The next play chronologically is *The Vortex*, and it was the first of Mr. Coward's plays to be produced on the stage. *The Vortex* also contains writing of real sincerity. The final desperate scene of reconciliation between the drug-taking son and the lover-taking mother contains a sort of groping after power and emotion, even if the language employed is not of this life or of any other. There is no pandering to the conventions of the commercial theatre in *The Vortex*. As in *The Rat Trap*, there is no final hostage offered to the sentimental patrons of gallery and pit. Nobody can accuse Mr. Coward of

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sacrificing his early ewe lambs on the altar of the happy ending. Apart from this artistic integrity there is not very much to praise in *The Vortex* except its precocity. It is a remarkable play for such a young man to have written, but it is not a remarkable play. The first act consists of an almost unbelievable amount of padding out of which emerges, at the last moment, the fact that Nicky is engaged to Bunty, and that some years ago Bunty knew Tom, who is now the lover of Nicky's mother, Florence. In Act Two, Tom kisses Bunty; Florence is furious; Bunty and Nicky part. The last act is the 'big scene' between mother and son. The scene is powerful, the language incredible. Do sons, even when they have lost their heads and are incipient dope fiends as well, really say to their mothers: 'All your so-called passion and temperament is false—your whole existence had degenerated into an endless, empty craving for admiration and flattery—and then you say you've done no harm to anybody,' or 'You're not young or beautiful; I'm seeing for the first time how old you are—it's horrible—your silly fair hair—and your face all plastered and painted,' or 'I've seen you make a vulgar, disgusting scene in your own house, and on top of that humiliate yourself before a boy half your own age'?

A great difference is in the next play, *The Young Idea*. Here Mr. Coward had the old idea of borrowing and he helped himself to a loan of Mr. Shaw's jolly pair of young things in *You Never Can Tell*. With his initial loan to assist him, Mr. Coward did all the rest himself and produced a really capital bit of nonsense. There is a high-spirited swing about *The Young Idea* that is most attractive, and there is genuine satire in the characters of the intolerable, and so typical, hunting folk who talk nothing but dreary gossip and dreary hunting shop. Gerda and Sholto, the young pair whose ambition is to reconcile their divorced parents, are very amusing and gay, and, even if the machinery does begin to creak in the last act and an irrelevant and elderly American has to be dragged in to keep the play going, it is all done with high good humor and bounding spirits.

By this time Mr. Coward is beginning to get off the mark. He is launched upon the first phase of his career. There follows a series of comedies, the chronological sequence of which does not matter, for they are more or less identical in form, plot, and treatment. Technically they are all an advance on *The Young Idea* and not one of them is an advance on any of the others.

Hay Fever is the story of the impact of respectability upon a family of Bohemians. Judith is a celebrated ex-actress and the centre of what is best described as a *ménage* of Sangers straight out of *The Constant Nymph*. Each one of the Sangers invites, unbeknown to the others, a respectable guest for the week-end. The result is incessant bickering and quarreling, carried on in language of astonishing offensiveness, and in the end the respectable guests go away unnoticed and unsped by their hosts and Judith announces her intention of going back to the stage. *Hay Fever* is a play that is very amusing to see and intolerable to read. It is a classic example of Mr. Coward's method of writing dialogue. In the third act there are two speeches of five lines apiece, four of four lines, and three hundred and seventeen of three lines or less. In the first act there are a hundred and fifty-eight consecutive 'speeches' of three lines or less. The whole thing is simply rattle, rattle, rattle. Judith is an excellently written character, the rest are nowhere.

FALLEN ANGELS is the story of the impact of Continental manners

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upon English respectability. Two English husbands go off to play golf. Two English wives await the coming of Maurice Duclos with whom each had conducted a violent pre-marriage love affair—one at Pisa and one at Venice. They pass the time of waiting by dining together and becoming what Mr. Coward describes in his preface to the play, rather naïvely, as 'faintly intoxicated.' During the dinner, which is prefaced by a strong cocktail, accompanied by a bottle of champagne, and topped up with a liqueur, the two 'faintly intoxicated' ladies bicker, then quarrel, and end up with a terrific set-to which includes such passages as:—

JULIA: I thought you had a nicer mind than that.

JANE: Mind! What about yours? I suppose you imagine it's a lovely gilt basket filled with mixed fruit and a bow on the top.

JULIA: Better than being an old sardine tin with a few fins in it.

And again:—

JULIA: You're utterly, completely contemptible! If it's true, you're nothing but a sniveling hypocrite! And if it's false, you're a barefaced liar. There's not much to choose between you. Please go at once.

JANE: Go—I'm only too delighted. You must curb your social sense, Julia, if it leads you to drunken orgies and abuse.

The husbands return and are duly horror-struck at the revelation of their wives' pasts. Maurice drifts in and the play peters out.

Easy Virtue is on exactly the same theme. A conventional youth marries a divorcée, Parisian, older than himself, and brings her home in triumph to his truly appalling mother and sisters. She is called Larita and she is described as

tall, exquisitely made up, and very beautiful—above everything she is perfectly calm. Her clothes, because of their simplicity, are obviously violently expensive; she wears a perfect rope of pearls and a small, close traveling hat. She speaks with the faintest possible foreign accent.

This elegant lady is plunged into a circle of tweed skirts, sport coats, tennis players, girls like Miss Nina Vansittart

attired in a strikingly original rose taffeta frock, with a ribbon of the same shade encircling her hair the wrong way—giving more the impression of a telephone apparatus than of a head ornament, and young men like the Hon. Hugh Petworth, a healthy young man, whose unfortunate shape can be luckily accounted for by his athletic prowess.

Naturally, Larita does not go down very well with the ladies of the district, and when her young husband tactlessly stands up for them against her, they bicker. And then Larita and one of the sisters bicker, and Larita calls her a disloyal and nauseating hypocrite, which does not tend to restore harmony. Then another sister finds a newspaper cutting about Larita's past and that leads to a first-class row during which Larita is actually made to say to her elder sister-in-law:—

All your life you've ground down perfectly natural sex impulses until your mind has become a morass of inhibitions—your repression has run into the usual channel of religious hysteria. You've placed physical purity too high and mental purity not high enough. And you'll be a miserable woman until the end of your days unless you readjust the balance.

This bowls out the home team and Larita goes back to Paris. There is one human character in *Easy Virtue* and that is Colonel Whitaker, Larita's father-in-law, a charming and sympathetic picture of a husband who finds wife and daughters too much for him. Certainly the Whitaker females would be too much for most people.

The subject of *Home Chat* is infidelity, pure and simple, and for once there is no wicked, romantic, Continental, glamorous wrecker of homes. An innocent pair are compromised in a *wagon-lit* accident. Everyone believes the worst. The wife, magnanimously forgiven by her husband for an infi-

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delity that she has not committed, revenges herself by pretending that she is guilty. In the end she is really unfaithful and again no one believes her. *Home Chat* is a very poor example of stagecraft. The wife's pretense is explained over and over again to each new character, and the dialogue is very weak and careless. Nothing, for instance, can forgive such lapses as:—

> Peter behaved like a gentleman.
> How disgusting of him—I must speak to him seriously.

or:—

> You must be feeling very uncomfortable inside.
> My digestion has always been superb.

And

> I don't understand you, Mrs. Chilham.
> Then I must be right, must n't I?

is well-worn Oscar Wilde.

By this time the first phase of Mr. Coward's career is at its dazzling zenith. London and New York have been stormed, and his name is a household word. But triumphant youth became impetuous. A play was announced as having been written in a week. Discerning critics, after its first night, said that two days ought to have been ample for such a production. There were boos and hisses. Mr. Coward tried again. More boos and more hisses. The first phase was rapidly tumbling to the ground. One of the failures was called *Sirocco* and its theme was the same old one trotted out again—the impact of Bohemia, this time an Italian painter, upon dear, respectable old England. A heavy husband, high-speed vamping with the help of a lot of Asti Spumante, a studio in Florence, a scene of crude offensiveness and abuse, and a final curtain on a free fight ('they fall on to the floor themselves, rolling over and over, fighting madly').

Another was a period play, *The Marquise*, which contained a charming heroine, a badly forced ending, and reams and reams of what the Greeks called 'stichomuthia,' which is dialogue by one line at a time.

Another 'romantic' play of this period was *The Queen Was in the Parlor*. Nadya, about to be married in Paris to M. Sabien Pastal, is suddenly told that, owing to the assassination four days earlier (for some reason unreported, apparently, in the newspapers of Paris) of the King of Krayia, she is now queen of that country. Like all good queens of romance she abandons her Rudolf Rassendyll and follows the stern call of duty. Sabien in turn follows her and penetrates right into the royal bedchamber and is duly shot for his pains by the local Colonel Sapt.

So ends the first phase of Mr. Coward's career. A brilliant opening campaign had gone steadily into eclipse.

BUT our hero was undaunted. With a talent for music that he had exploited upon the revue stage, he tried a different branch of his profession and the result was a revue, *This Year of Grace*, music, lyrics, and book all written by himself. I rather think he produced it as well. Mr. C. B. Cochran, the Napoleon of Piccadilly, flung his dashing young Murat into the battle and a resounding victory was won. *This Year of Grace* ran for a long time; *Bitter Sweet*, its legitimate successor, although an operette and not a revue, was even more successful, and a third musical production, *Cavalcade*, is packing Drury Lane.

This is the second period—musical entertainments and a complete rest from 'straight drama.' Of *Bitter Sweet* there is little to be said. It succeeded completely in what it set out to do, to catch the fancy of those ladies who visit matinées, read stories about sheiks in the desert, and thoroughly enjoy a good cry. There is, of course, no prize at all for anyone guessing its main theme.

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Mr. Coward simply transferred his now famous plot from the 'straight' into the musical line. An English girl is swept off her feet by a foreign musician, the idea of *Milestones* is added, and there you are. As for the lyrics, if Mr. Coward had not himself published the libretto of *Bitter Sweet* I should have played the game and not quoted a word of them. But, as it is, Mr. Coward cannot blame me if I reprint what he has printed, as, for instance:—

Tho' life buffets me obscenely
It serenely
Goes on.
Although I question its conclusion,
Illusion
Is gone.
Frequently I
Put a bit by
For a rainy day.
Nobody here can say
To what indeed
The years are leading.
Fate may often treat me meanly
But I keenly pursue
A little mirage in the blue.
Determination helps me through.

You don't believe me? I did n't suppose you would, but it is there all right, on page 64 of Messrs. Heinemann's handsome edition. Or:—

Life is very rough and tumble
For a humble
Diseuse;
One can betray one's troubles never
Whatever
Occurs.

I mean to say! Dash it! There is also a capital song in which Tokay is described as made from the grapes of a sunlit vine on the banks of the golden Rhine. If anyone thinks that Mr. Coward can write a lyric, let him look at any lyric written by Mr. A. P. Herbert and think again. So much for the triumphantly successful second phase.

THE third has only just begun. It is the return of Mr. Coward as dramatist after an interval of rest and a trip round the world. *Private Lives* is the first of the pieces in this third phase. It is especially interesting as it is a kind of résumé of all that Mr. Coward did and tried to do when his first phase was at its brilliant zenith. The swift, hard, rattling farcical comedy, at which he aimed so many shots, is brought to a glittering perfection in *Private Lives*. It is technically a masterpiece—not of the art of writing plays, but of the art of writing Mr. Coward's plays. For, as I think we have discovered by now, Mr. Coward's plot is the contrast between brilliant cosmopolitanism and stodgy Anglo-Saxondom, his stand-by is infidelity, and his device of stagecraft is the bicker. Like Josef Israëls, who alleged that he could paint pictures of a mother and child in his sleep, so Mr. Coward could write scenes of abuse and invective on the subject of infidelity for days and nights on end. *Private Lives* is the apotheosis of his first phase. It contains such gems, spoken on the first evening of a honeymoon, in the moonlight, as:—

SYBIL: You're hateful and beastly. Mother was perfectly right. She said you had shifty eyes.

ELYOT: Well, she can't talk. Hers are so close together, you could n't put a needle between them.

Or:—

I should like to cut off your head with a meat axe.

Or, in the second act:—

ELYOT: Snap, snap, snap; like a little adder.

AMANDA: Adders don't snap. They sting.

ELYOT: Nonsense. They have a little bag of venom behind their fangs and they snap.

AMANDA: They sting.

ELYOT: They snap.

AMANDA: I don't care, do you understand? I don't care. I don't mind if they bark and roll about like hoops.

The second act of *Private Lives* is Mr. Coward's own particular triumph. Nothing happens from beginning to

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end except quarreling, gramophone playing, telephones ringing, struggling, smashing of records, face slapping, rolling about on the floor, and general invective, and all of it extremely entertaining. There is no question about that. Mr. Coward at his best is extremely entertaining, and often quite witty as well. Indeed, in *Private Lives* he has more witty lines than in all the rest of his plays put together. 'Certain women should be struck regularly, like gongs' has the authentic touch, and also, in reply to the line, 'It does n't suit women to be promiscuous,' the retort, 'It does n't suit men for women to be promiscuous.' And this little exchange is delicious:—

AMANDA: Do you realize that we're living in sin?

ELYOT: Not according to the Catholics. Catholics don't recognize divorce. We're married as much as ever we were.

AMANDA: Yes, dear, but we're not Catholics.

ELYOT: Never mind; it's nice to think they'd sort of back us up.

And lastly, in this third phase, we have, as we had at the very beginning, a play published but hitherto unacted.

Post Mortem is Mr. Coward's first serious work. Is it of any significance that he wrote it immediately after *Private Lives?* Has he deliberately discarded his farcical comedies after reaching high-water mark, and is he going to aim at greatness instead of notoriety? *Post Mortem* is an attempt to discuss the Great Peace dramatically, just as so many writers have attempted to discuss the Great War. Mr. Coward's question is the one so often asked: 'Was it all worth while?' Was the Peace worthy of all the sacrifice that went to make peace possible? Mr. Coward's reply is an emphatic no. The play opens in a company headquarters in the line in France, and the talk of the officers is not the talk of any company headquarters that ever was or will be. At the end of the scene John Cavan is killed by a sniper. The rest of the play is the gropings of the spirit of John Cavan toward an understanding of what it was all about. Thirteen years after his death he visits his mother. She tells him that his father, the newspaper magnate, has got a new mistress; that Monica, John's fiancée of the war years, has married a man called Chellerton; that Perry Lomas, a brother subaltern, has written a war book which is going to be burnt publicly for being too near the truth. She implores him to go back to his spirit world before his eyes are opened, but John refuses.

I must know [he says] whether by losing so much we have gained anything at all, or whether it was just blind futility like Perry said it was. I must know whether the ones who came home have slipped back into the old illusions and are rotting there, smug in false security, blotting out memory with the flimsy mysticism of their threadbare Christian legend, or whether they've had the courage to remember clearly and strike out for something new—something different.

In search of this knowledge John visits Monica and finds her in a cocktail-, gramophone-, dance-mad, loose set of acquaintances. She tells him:—

You died young; who are you to judge? You had n't yet found out about everything being a bore.

Perry Lomas, next on the list, is about to commit suicide. Almost his last words, before he shoots himself, are:—

Fundamental good in human nature? Bunk! Spiritual understanding? Bunk! God in some compassionate dream waiting to open your eyes to truth? Bunk! Bunk! Bunk! It's all a joke with nobody to laugh at it.

The visit to his father's newspaper office is even worse. His return from what the managing editor calls 'beyond the hinterland,' subsequently alluded to as 'b. the h.,' is made into the subject of a newspaper stunt; and, finally, he dines with his company officers, middle-aged men who were young in Scene

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One. The dinner is a failure; one of the ex-officers is furious at being reminded that he loved a subaltern who was killed; another announces that he would sooner shoot his own sons than see them shirk the 'next war'; and the third says that war or peace, death or life, it's all the same to him. He's just passing the time and does n't care. So John goes back, and Mr. Coward's answer to his quest is a bitter one.

Post Mortem is not a great play, but it is interesting in itself and it is doubly interesting as an indication that Mr. Coward may intend to forsake the broad and easy path of invective and infidelity, and try to become a real dramatist. So far his claim to be a real master of the theatre is stultified by his fatal gift of amusing padding. It is not a sign of technical skill to be able to hold an audience's attention throughout the second act of *Private Lives*, or the first acts of almost all his plays. It is only a sign of a shrewd appreciation of what can be done by rattling on and on and on. The great dramatists use dialogue to unfold the action of the play and display their characters at the same time. Mr. Coward cannot be bothered to master this difficult art, and so when he wishes to draw a character he has to fill in page after page of irrelevances in order to do so. It would be possible to take, for example, the first thirty-three pages, of a total of thirty-six, of the first act of *The Vortex*, and fit almost any sort of play on to them without making a single line of those thirty-three pages any more irrelevant than it is now to the rest of *The Vortex*.

But if Mr. Coward is really going to turn his attention from his everlasting attack upon respectability and his everlasting satire against modernity (it is odd, by the way, how modern youth should hail as their leader and representative a man who was old at twenty and who never stops withering them with irony), the next phases of his development may be of the utmost importance to the theatre. The knowledge and the experience of the stage are his already; his, also, a nimble mind and inexhaustible energy and industry. If he turns his mind and his energy and his industry a little more to thought and study, and a good deal less to producing and lyric writing and song composing, he may yet live down his colossal success.

Mr. Coward is a strange figure in this post-war England. He belongs to no 'school,' he has no 'masters' whom he copies, he writes no newspaper articles, he is seldom interviewed or photographed. His name hardly ever appears in 'social jottings.' The Lido knows him not, nor Deauville, nor Le Touquet, nor North Berwick. He has not written his reminiscences. He has not pulverized America in a book of travel. For all his immense notoriety he is an aloof and retiring individual. And, for all the wealth that he has garnered, he is an indefatigable worker. In the last hundred years only Disraeli and Wilde and Shaw have started from nothing and conquered England as Mr. Coward has conquered. It is curious that he is the first Englishman to have done so.

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A German lady writing from Tokyo describes the domestic life of the Japanese. No people have been through more intimate changes in recent years and none have so many still to undergo.

Women of JAPAN

By MARIA PIPER

Translated from the *Deutsche Allgemeine Zeitung*
Berlin Big-Business Daily

ALL over the world the well-being of the human male is measured by how much comfort he finds within his own four walls. Since comfort depends chiefly on the facilities of the home, the well-being of the modern Japanese is somewhat dubious in so far as he abides by his native customs, because Japanese residences lack real comfort, measured by our standards. Furthermore, the modern Japanese is coming to recognize more and more that he is missing something, because his business life and travels give him many opportunities to get accustomed to European ways and even to find them indispensable.

He spends his working hours in a European office and eats lunch in a European restaurant, so that when he returns home he does not find the straw mats on which he has to sit much to his taste. But his bath refreshes him and he is glad to change from his city clothes into his more comfortable Japanese kimono. Though he must have his evening bowl of rice, he none the less yearns for his office desk, and he would be only too glad to read his newspaper in a club armchair. But such furniture would do violence to a purely Japanese room, which, in accordance with the decrees of tradition, must be kept empty.

From December to March it is cold as ice. He warms the tips of his fingers over the *hibachi*, or brazier, which is his only heating arrangement. The fumes from the charcoal give him a headache and he cannot open the sliding partitions in the wall because cold air would come in. The modern householder, therefore, feels that tradition weighs much too heavily and longs for a pretty little house like those of the Californian settlers, a *bunka* villa with a red brick roof and geraniums at the window. '*Bunka*' signifies culture, and in Tokyo whole suburbs are built in the *bunka* style. But his mother, who lives with him, loves the old way of life, and during her lifetime he must care for her.

The noise of little children penetrates the whole dwelling. They rush from

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room to room. They are never scolded and the mother follows after them. They bore holes in the paper walls and spy in from the veranda. They hear every word that the grown-ups speak. There is no such thing as privacy in the Japanese house, with its sliding walls made of paper or pasteboard, and any exchange of words is overheard by all one's neighbors. European children are told when they should go to bed, but in Japan the *botchan*, or eldest son, cannot be commanded to do anything. As a rule children are allowed to stay up until they themselves decide that it is time to sleep.

It is pure illusion that there is any peace in a Japanese household. Serious reading is not to be thought of as long as the neighbors play their radios. To this noise is added the din of conversation and of loud speakers on the street corners broadcasting music and speeches that are sent direct from the Ministry of Culture. The housewife must minister to her returning husband with servile care, yet her daily labors often rob her of the freshness that she needs if she is to make him forget his business worries with cheerful conversation. Though her smooth face may give the impression of well-bred amiableness she often feels no real warmth and sympathy and little phrases or eloquent silences give the husband sure indications that his wife's attitude is not all it might be. After giving the usual information about her children, her household duties, her finances, and her neighbors, the average married woman has exhausted her topics of conversation, and her husband brings her no new interests because he generally believes that only men are intelligent enough to understand business matters. The terrific struggle to maintain life, which has been intensified by European competition, has laid a heavy burden on the Japanese, and after the day's work he often lacks the patience and the mental energy to entertain his family and show an interest in their affairs. The rising generation is going to rack and ruin on this account.

The Japanese wife exists for the sake of her husband. She must subordinate her own personal wishes and ideas to his well-being and wait on him in person. She greets him when he comes in the door, arranges his clothing and bath, removes the clothes that he has laid on the straw mats, brings food to him on a low eating table, offers him this and that, and picks up whatever is lying on the floor. When she has no servant she is kept busy all day, which means that she must be constantly on her knees. Thus she has developed powerful and flexible knee muscles, and European women look with jealous delight on the gracious way that the Japanese are able to kneel and rise and retain their slender figures. But when evening comes the tired, distressed housewife is not apt to be in a humor to please her husband.

Her eternal care of her children, the unavoidable arguments with her mother-in-law or her neighbors, whom she must not offend, these duties keep the housewife busy. She has not a moment for rest and her work is never more than half done. Of course, the Japanese household looks as if it ran on rubber wheels, but this is all the result of infinite expenditures of time and labor.

The typical Japanese housewife must subordinate her desires to the desires of her husband and the wishes of her mother-in-law, and must adapt herself to their humors without discussion. As for the oldest son, the *botchan*, she must simply ask politely what he wants. Nor does the often unenviable lot of the Japanese mother meet with much sympathy and understanding on the part of her growing daughters. New customs are partly responsible, for the young people have been swept away into a

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new tempo of life. The mothers themselves are partly to blame because, with the best intentions in the world, they still try to teach their daughters the Confucian ideal of virtuous wivehood.

MUCH light was thrown on the happiness of middle-class families in Japan by the replies given to three questions that were recently asked in one of the girls' high schools in Tokyo. One hundred and fifty graduates were asked whether a great abyss of misunderstanding did not separate the parents and children of modern Japan. The way the questions were phrased showed that the school wanted the young girls to criticize their elders and express their own opinions and desires. The whole episode indicates that the nation is about to be emancipated from some of its holy traditions and that a movement of reform which is likely to lead to various social changes is now under way among the women of Japan. The three questions ran as follows:—

'1. Have you anything against your father?

'2. Do you wish that your mother behaved differently?

'3. Can you make suggestions as to how your family life could be made happier?'

'I feel I am alone,' explained one growing daughter, 'because father is so bound up in business that he has no time to give me and no interest in what I am doing.' Another said: 'Mother obeys father too much. She does not understand me, and all that she knows about my life is what she sees before her eyes. She does not know the new ideas and purposes that our school has awakened and established within us, or else she refuses to accept them because they do not coincide with her inherited ideas. What good does it do me to keep hearing, "When I was young people did so and so"? She forgets that times are different now and that our future is going to be more different still.' Another said: 'Parents should give us more freedom in our relations with young people.' And still another said: 'I wish my father drank less alcohol. How much happier we should all be if he ate dinner with us more frequently. But, as things are, his social obligations and pleasures keep him away from the house in the evening. We hardly ever see him.'

The less the tired wife has to offer her husband and the more discomfort, noise, and confusion there are in the house, the more the man dislikes his home. Therefore with a quick step and a light heart he seeks out places of amusement, chiefly tea houses where hostesses, geisha girls, and waitresses entertain him until late at night with artificial gaiety.

Our conception of the Japanese woman has always been much too darkly influenced by the geisha, that old representative of Japanese womanhood to whom Western countries have attributed a romantic, operatic temperament. It is high time to rid ourselves of our Madame Butterfly complex and replace it with a genuine picture of the Japanese woman of to-day.

Japanese society, which until recently was monotonously masculine, has been changed fundamentally by the introduction of golf, and even miniature golf on the roofs of the skyscrapers, and by numerous dance halls and cafés. Social activity in Japan, which used to be confined to discussing political and professional matters, and in which the only feminine element was the geisha, who was engaged by the hour, has lately modeled itself on the European plan and gone in for sport and dancing, in which, wonder of wonders, the ladies may participate. Within less than five years high life in Tokyo and Osaka has become absolutely dance- and golf-

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mad. A dance hall and a bar have been installed in the Yamatoya in Osaka, a first class tea house with a geisha school. Here the geishas must learn to dance the European steps in order to keep up-to-date.

Many other symptoms indicate that the old-fashioned geisha is disappearing. She has lost most of her popularity to the *yokyu* or waitress-entertainer, who, in return for a small tip well within the means of clerks and students, will drive away youthful melancholy for a few hours in the evening.

Man, aided by his laws, has indeed built a strong house for himself here in Japan. In case his wife bears him no children he is permitted to adopt a child, and if he has children he is permitted to let his own be adopted. Confucius made it a pious duty for the poor to be ready to sacrifice their children by letting them be adopted by families who had none, but at the present time the pious aspects of this teaching are very much in the background. When the only child of rich parents is a girl she is given a *yoshi*, which means that her parents choose a husband for their daughter whom they at once adopt as a son so that the property may remain in the family and business may be carried on under the same name. That explains why so many Japanese families, notably the Imperial Family, trace their ancestry back to the mists of antiquity, for whenever the genealogical line was broken it was filled by resorting to adoption.

Although a son, as the bearer of the family name, is much to be preferred to a daughter, a daughter is valued more highly by poor families because she is good for cash. Fathers rent their daughters for a definitely contracted number of years and for a specified sum to geisha institutes, brothels, and factories. In the first two cases, the amount of money paid depends on the beauty of the girl.

This lovely business, in which the state participates by levying a tax on each transaction, makes adoption a lucrative business for the man who does the adopting provided he has intelligence and business skill. These so-called fathers can hawk their daughters wherever they please without legal interference. Up to now no daughter in Japan has enjoyed any standing of her own that could protect her from the fate that such a father might bestow upon her.

Not long ago a twelve-year-old girl drowned herself because her adoptive father wanted to sell her to a geisha house. Fear of such a life drove the child to suicide. The father, a lazy drunkard, went without punishment, although he was the cause of her death. Another adoptive father rented his thirteen-year-old daughter to a geisha house for four years for seven hundred yen. After this period had expired he renewed the contract for two more years against the wishes of his daughter in return for three hundred yen. After this contract had expired the father again renewed it without the girl's consent, and she was not in a position to make any legal objections. When she fled to a social-service agency, it could not help her because she was legally in the power of the man who had adopted her. Nevertheless, she demanded a trial and, wonder of wonders, for the first time in Japanese history a court of law released a daughter from the exploiting hands of her legal father and thus recognized the individual rights of woman for the first time.

This precedent broke the chains that have held thousands of adopted Japanese sons and daughters in bonds, and these thousands are hoping to be free from a long, silent martyrdom. There is an old Japanese proverb that says, 'Heaven protect us from thunder, earthquake, and fathers.' Perhaps the last word will have to be revised.

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The Moscow correspondent of the best paper in Germany develops the popular theme that Bolshevism is entirely a religion and has nothing whatever to do with either politics or economics.

Bolshevism *as* Religion

By A Moscow Correspondent

Translated from the *Frankfurter Zeitung*
Frankfurt Liberal Daily

IT SPEAKS volumes for the extraordinary shortsightedness of the younger generation of Bolsheviks who have not spent years in exile that they believe that atheism in its fighting form is a Bolshevist achievement. In a conversation with one of the leading officials of the People's Commissariat for Education, I had difficulty in explaining to him the idea that Bolshevism is merely treading in the footsteps of a middle class that looked upon the philosophy of Büchner and Moleschott and Haeckel as the last word in wisdom, and that even the Social Democrats, whom the Russian Communists despise so much, are not backward in this respect. He did not consider his argument that the 'social traitor,' MacDonald, always invokes the Deity refuted by the explanation that in Great Britain the relationship of society to religion is quite different, since the great revolution occurred there in the seventeenth century, when all social life was still religious and revolutionary groups therefore fought under religious slogans. The French Revolution, on the other hand, and the Continental revolutions that followed, all occurred after the age of enlightenment, after the secularization of social life, when the religious forces were all ranged on the side of the old régime. The man I talked to in Moscow could not believe that a form of socialism exists that is fighting radically against capitalism and militarism and is at the same time religious. It must be a kind of 'petty-bourgeois radicalism,' he thought, for it is his dogmatic belief that science kills religion. He does not realize that science itself no longer shares this belief.

In point of fact, there is more uncompromising religious enthusiasm in the vigorous zeal of Bolshevism than in the official theistic religions of the West, which are skeptical and ready to capitulate, since they are concerned only with the world as it is. All that Western religion does is to build a peaceful, undisturbed edifice in the clouds, having made peace with the

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state, war, and mammon. But the fact that a social or historical-philosophic or political system that may be justified on its own plane is rising from the relative into the absolute and becoming a religion puts Bolshevism in danger of completely disregarding life and humanity. Like Ibsen's character of Brand, the Bolshevists sacrifice on the altar of their 'all or nothing' every bit of freedom and humanity, every bit of versatility, skepticism, and tenderness, without which life is not worth living. This explains the inhumanity and intolerance of Bolshevism. In the Soviet Union the son of any 'exploiter' must detach himself from his father if he wants to get an advanced education and become 'honorable.' He must sever all connections with his father and take another name. For the sake of the holy cause natural bonds must be broken. Only he who gives himself up completely, free from all obligations, will possess the strength and hardness that are necessary to bring the work to completion.

Bolshevism is a religion of reason. It has to be. Only he who believes in the power of reason, only he who has inherited the legacy of the eighteenth century, who believes in the power of education to transform human nature —only such a man has the courage to try to create a new order out of the economic and social chaos in which we live. But the danger that reason may become contaminated is all too great. Bolshevism is also a religion of the will and glorifies the energetic enthusiasm of the nineteenth century. Thus the modern Russian is a complete contrast to the Russian we know in literature, to weak, undecided, brooding characters like Oblomov and Raskolnikov, with their Oriental fatalism. Even an excessive faith in will power was necessary if such unprepared people were to be transformed in so short a space of time. But the failure to recognize the limits of will power has led to profound mistakes. The theory was that, if only the necessary Bolshevist state of mind were present, specialists would at once be created whose lack of ability would be more than compensated for by their immense confidence. Will power, since it was directed toward the future, repudiated proportion, tradition, and relationship to the past, and thus became uprooted and foolhardy. Finally, Bolshevism is a religion of labor. It is the mass-production religion of the twentieth century. It therefore represses the egotism inherent in capitalism.

THE narrow orthodoxy of Bolshevism is perhaps necessary to steer the ship of state through the storm and to preserve unified leadership. But it is as impossible to discuss with a Bolshevist any problem outside his dogmatic system as it is to hold similar discussions with many a devout Catholic or Jew. You find the same failure to understand the possibility of asking questions. Like all orthodox religions, Bolshevism relates directly back to a gospel, only its Bible is Marx and Lenin, who have been commented on by earnest students, and whose texts have been circulated in innumerable pamphlets. When one asks a question one is not told whether it is right or wrong, good or bad, but only whether it corresponds to what Marx or Lenin has written and whether it is in the true Leninist line. Any theory is at once condemned if it contradicts party doctrine. And, since the writings of Marx and Lenin are open to just as many interpretations as Biblical texts, the Communist Party has to-day discovered in Stalin the authentic interpreter of what Marx and Lenin really meant. Just like every religion that has not become enlightened enough to confine itself to certain distinct functions but that

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still includes the whole sweep of life within its scope, so Bolshevism recognizes no such thing as art for art's sake, nor does it permit any free play of the human imagination or any pure scientific research. Art and science must be subordinate to the omnipotent belief. They must fall in line and become part of the process of social construction. But since the Renaissance and the eighteenth century art and science have not been willing to sacrifice their freedom, and antagonism therefore arises. Perhaps believing poets and artists will put their art at the service of this religion. But most poetry and art in Russia to-day is painful and laborious. Here and there efforts are being made to achieve artistic creation and to win through to a new life-feeling. The question is whether these efforts will be able to ripen peacefully and not be overwhelmed by the tempo of economic construction.

The narrowness and assurance of Bolshevism have divided the world into two sharply differentiated parts —the world of 'God' and the world of the enemy. The enemy is the old order and everything that it represents. For that reason alone it is despised, derided, and bitterly attacked. Things are either black or white. There is nothing halfway between, no shadows, no fine distinctions. Whatever motives any representative of the old order may have, whatever his background may be, he is always wrong, for he is the enemy of the 'divine' order; and the Bolshevik is always right, since he is fighting for the 'kingdom of God.' There can be no compromise here, and this attitude is carried to its logical conclusion with inhuman determination. 'He that is not with me is against me.'

Neutrality, objectivity, any attempt to make allowances for conscience or for knowledge of life and history—such things are simply unrecognized. A hardness that shrinks at nothing is devoted to attaining a certain purpose, to creating a new and better world, to freeing humanity from thousands of years of misery and slavery. Only this purpose has value, and any methods of achieving it are allowed. Moral considerations are looked upon as petty bourgeois prejudices. Success alone is decisive. The rights of any individual or of any generation are ruthlessly sacrificed. The forty-year march through the wilderness has begun, and the chosen people that is wandering in the wilderness must suffer before it reaches the promised land.

Will it attain its goal? Many sacrifices must be made on the way. Moral teachings and associations that have been part and parcel of human life for thousands of years are to be unquestioningly sacrificed to the final aim. The new man has burned all his bridges behind him. He commits himself wholly to the future, from which his life derives all its sense and meaning. Will this new freedom content him? Will it be possible to bind him only to the future, which is necessarily an impalpable phantom? Will not human life be unavoidably stunted if it is entirely devoted to a single purpose? Can human beings be profoundly altered on the theory that the end justifies the means? Furthermore, does not the choice of the means reveal the value of the end that is to be attained? Questions like these the Bolsheviks regard as petty bourgeois, though it is true that some of them have hesitated and feel that reservations should be made.

Nikolai Bogdanov's novel, *The First Maiden*, printed by the state publishing house and recently translated into German, is a move in this direction. It has to do with the problem of free love. What looks like the new freedom, whether it is atheism or the destruction

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of the family, is presented as merely an excess of bourgeois decadence. Perhaps Bolshevism will go through a period of enlightenment like the one that Europe went through after the Middle Ages, a liberalization and humanization, a refinement and conscience sharpening, an extension of spiritual freedom and tolerance that will give beauty freer play and place more emphasis on the unique value of the individual and on all the versatility that enriches human life. But it is uncertain whether Bolshevism will take this path or what path it will take. For it is taking a chance and gambling wantonly for a stake of unprecedented magnitude. For the first time, struggle and hatred are interpreted as the great impulses of history and as the impulses that will lead to salvation. No wonder pious spirits in Western Europe look upon Bolshevism as the anti-Christ.

But really pious spirits are rare in Europe. For modern Europe has been obsessed with the struggle and hatred between nations that led to the last World War and that may lead to a new one. Bolshevism may have a comparatively easy time overcoming traditional religions in the Soviet Union, but since the beginning of the nineteenth century nationalism, moving from west to east, has increasingly taken the place of the old religions. It has won for itself the highest symbolic strength and has become the one belief for which people will give their lives and for which they are willing to sacrifice themselves. Bolshevism, a social, cosmopolitan faith, has declared war on national struggle and hatred, and substituted class war and class hatred instead. It must therefore come to grips with nationalism and fight the matter out to a finish.

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BOOKS ABROAD

STALIN & Co. *By Count Richard Nicolaus Coudenhove-Kalergi. Vienna: Paneuropa Verlag. 1931.*

(From the *Neue Freie Presse*, Vienna)

'FREEDOM is a bourgeois prejudice. 'These words of Lenin's define the position of Bolshevism toward freedom. Bolshevism is a relentless, unending fight against human freedom. Its ideal is a pyramid of dependencies coming to a point in the leaders of the Communist Party. Such, at any rate, is the conclusion arrived at by Coudenhove-Kalergi, leader of the Paneuropa movement, in his latest book. Such is his definition of Bolshevism in the year 1931. According to Coudenhove, modern Bolshevism is neither Marxism nor Communism, but Stalinism, which he describes in this vivid little book as post-revolutionary Bolshevism. Many Europeans, says Coudenhove, have been waiting for years for the great counter-revolution to break out in Russia and for the Red Napoleon to assume control. They have not noticed that this counter-revolution has already occurred. Its Napoleon is Stalin. He is the initiator of the new imperialism, the general director of the new capitalism, the chief of the general staff of the Five-Year Plan. The fight between Stalin and Trotski was really the fight between counter-revolution and revolution, and Stalin emerged the victor.

Stalin has abandoned absolute Communism. The return to new economic methods, to piecework and bonuses, the reëstablishment of the factory manager as a dominant figure, the break with the principle of equality, all these things represent Stalin's acknowledgment that Communist economic methods have failed. As Napoleon gradually strangled French liberty while his soldiers were still marching to the tune of the *Marseillaise* and were animated with the idea of freedom, so Stalin has retained Communist ideology though he has long since abandoned Communist practice. The dictator of a little group of leaders has taken over the inheritance of the grand dukes, and the Russian proletariat no longer has any chance of changing or overthrowing its ruler.

Communists all over the world see in the success of the Five-Year Plan the victory of Communism over capitalism but in reality the Five-Year Plan represents the capitulation of Communism to state capitalism. All the fundamental ideas of Communism have been abandoned. The attempt of the Bolsheviks to wipe out poverty by a just distribution of the national income has failed. They have succeeded only in reducing all wealth so that everyone is poor together, a condition which is, however, more supportable than the old one. The Communist attempt to equalize wages has also failed because the Five-Year Plan can be carried through only with unequal wages.

The chapter comparing *Stalin & Co.* to a modern corporation is extraordinarily rich in ideas. All Russian citizens, it is argued, are employees and stockholders in a great Soviet trust. But the trust pays no dividends. On the contrary, the employed stockholders are compelled to invest part of their wages in the trust so that new plans can be executed. The actual income of an unemployed man in Germany is much higher than the income of a Russian worker. Coudenhove does not fail to recognize that Stalinism has accomplished a gigantic task, that it is a church, a trust, and a political dictator-

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ship all in one, and that Stalin is pope of the Communist church, emperor of Russia, and chairman of the board of directors of the Soviet trust. This threefold power makes him mightier than the Pope, mightier than Hoover, mightier than Morgan. He is the most powerful man in the world.

But Bolshevism is not in a position to influence Europe. Europe's danger is its own weakness, its own divisions and uncertainties, its intellectual chaos, its lack of political and economic planning. Coudenhove takes what has happened in Russia as a text to warn Europe. For the first time Coudenhove openly adopts an anti-Russian attitude. In *Stalin & Co.* he draws a sharp line between Paneuropa and Russia. He even urges Europe to present a united front to the Russian Empire. At this point, one cannot help feeling a little skeptical, for Europe is eager for rest and lacks the economic strength to repel foreign influences and to form a united front. Coudenhove's book, which is brilliantly written and suffused with idealistic will power, can be read with the greatest pleasure. Though you may not agree with all his conclusions, whenever Coudenhove speaks his voice is highly spiritual, which is no small praise.

NAPOLÉON. *By Jacques Bainville. Paris: Fayard. 1931.*

(Pierre Gaxotte in *Je Suis Partout*, Paris)

NOT long ago a critic said: 'Napoleon was born the fifth of May, 1821.' That is true; our Napoleon, he of legend, he who figured in our childish dreams, was born the day the real Napoleon died. The Emperor himself surmised that his death would endow him with a new life, and he took care to prepare his posthumous existence. An indefatigable writer and an incomparable dramatist, he retouched his great deeds, corrected his words, arranged his proclamations, and set the tone for his companions in exile, who later became his historians and biographers. Destiny, at once benevolent and cruel, reserved for him a painful and magnificent agony. Had he died in the Tuileries and transmitted his power legally to a grandson, he would not have fired the imagination. Dethroned by an implacable coalition, betrayed, abandoned, deported, grievously persecuted, he only became grander. What is more, he became another man.

The transfiguration is astonishing. Napoleon was a tumultuous genius, but at first glance nothing in this genius seemed capable of rousing the world. To begin with, he was an intellectual, a kind of literary polytechnician, a man formed by books. An eternal reasoner, a scornful philosopher, an almost Oriental despot, a devourer of men, he does not seem to have had the gift of transporting hearts. He did not like crowds; he did not know how to harangue them; he feared them. At the height of his career he dazzled men but they did not love him. He was looked upon as the god of battles. Victory accompanied his steps and the enemy trembled at his approach. His name wrought miracles. But when the first reverses dispelled the magic of these miracles he could easily enumerate the men who were truly devoted to him. There was no Bonapartist Vendée. The whole Imperial military staff passed over to the Bourbons as a single man as soon as the Bourbons guaranteed to Bonaparte's men what Bonaparte had given the Regicides: consolidation of the advantages gained. He retained the affection only of his old soldiers, who loved him because he represented their youth, the memory of their glory and their sufferings.

A hundred years later Napoleon's shade has regained a power that the living Napoleon lost. For men are still astonished that one of their number

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could at once rise so high and fall so low. If the Emperor had been only a soldier fortunate enough to become king, he would have been one in a thousand. Rome and Asia are full of such cases. But his career is unique in modern times and Western lands. He himself marveled at it and remarked to Las Cases that it would take 'thousands of centuries' to reproduce 'the same spectacle.'

What made possible a destiny differing to such a degree from the common order? What were the general and specific reasons for it? To what degree was it due to the man, to circumstances, to chance? This is precisely what M. Jacques Bainville has tried to determine. And this subtle chemistry forms the extraordinary novelty of his book.

No historian, to my knowledge, has approached Napoleon with the absolute detachment of M. Bainville. Some have studied him to exalt him; others to abase him; some to demonstrate that he was warlike despite himself; some to surprise the reader with the contrast between the man's public prestige and the pettiness of his private life. But all have come under his spell. None has remained detached. As for M. Bainville, he is all moderation, intelligence, lucidity, reflection. No impulsiveness. No hostility. Merely keen and methodical observation.

When in 1804 the young Prince de Bade remarked that there was nothing to see in Mayence, the Emperor quickly replied that he was mistaken. At the Prince's age, he said, he had examined the fortifications whenever he had had any time on his hands in any city. That was what he had done in Toulon when, as a petty officer, he was strolling about waiting for the boat to Corsica. 'How do you know that you will not some day besiege Mayence? Did I know then that I was going to recapture Toulon?'

This was one of the secrets of his success, and one of the reasons for it. His rapidity of conception and sureness of glance were strengthened by study. One of the driving forces of his life was his desire to know everything, including apparently useless things. 'When he arrived with the besieging army in 1793 would he have known where to attack Toulon if he had not previously learned something there, as he did everywhere, in passing through the city to embark? Instead of lolling in a café he informed himself as to the city's topography and system of defense with his insatiable curiosity and lust for knowledge. In the same way, he read Justinian's *Institutes* while he was under arrest without ever suspecting that he would one day preside over the drawing up of the Civil Code in a state council. In the same way again, he took notes on the Swiss Constitution in his wretched chamber, never foreseeing that he was to become the mediator of the Helvetian Confederation.' His military genius was not mere brilliance. He had the authority, the will power, the skill necessary to win his soldiers' support. He was born to command and to demand great things. But he had also studied the masters—Turenne, Condé, Catinat, Villars, Frederick the Great, and he remembered their methods and lessons. At every turn his history teaches the advantage of science.

HIS second great superiority was his intelligence. His knowledge of the French people was what assured his success after the *coup d'état* of Brumaire, 1799. He was motivated by very simple ideas and common-sense views. To be precise, he discovered and carried out those things that would content the French people in their most diverse aspirations. He gave them what they had gone without for ten years: order, prosperity, laws, finances, security for the morrow. A stranger to factions, he

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put a stop to party strife, religious persecutions, and class struggles. At the same time that he was ensuring the masses against aristocratic reprisals and legitimatizing the revolutionary confiscations and usurpations, he was able in a few months to realize many eighteenth-century ideals and install the régime known to economists and the middle class as enlightened despotism.

But, despite M. Bainville's detachment, *Napoléon* contains a quite involuntary dramatic power that springs from neither ringing words nor artificial rhythm, but from an absolutely simple narration of facts. This sense of drama lies chiefly in the impression which one gets at several points that Napoleon came perilously close to escaping his destiny. Once, at the very beginning of the Revolution, he persisted in wishing to be a great man in that Corsica which looked down upon him. Again, after the *coup d'état* of Thermidor, 1794, when he was suspected of favoring Robespierre and could not get a command to his taste, he blundered repeatedly, made himself insupportable to everyone, and, tired of war, prepared to enlist in the Turkish army. Had not an obscure commissioner released him from disgrace and had him assigned to the topographical service, Napoleon would have missed the first great opportunity of his life, that which was to determine all the others. Again, before Brumaire, he had to be pushed into making the *coup d'état*. On that very day, his doubts and hesitations compromised the situation so gravely that the *coup* would have failed had it not been for his brother, Lucien. It is needless to go on. M. Bainville proves his point well; sensing the inevitable elements involved, he also perceives the part played by chance.

There is also drama in the vanity of these Titanic efforts. Even in his hours of triumph, Napoleon felt no security: '*This will not last; it cannot last.*' M. Bainville conveys this feeling with such intensity that the atmosphere of anguish in certain chapters grips you despite yourself; a sense of oppression presages catastrophe and leads to giddy fear.

Finally, what did Napoleon lack for victory? A great national change of heart. This change did not take place because men of sense had long ceased to believe in the Emperor. And, if we must draw a moral from this thorough, strong, and unusually intelligent book, we shall have to repeat the old maxim: 'What is exaggerated does not last.' But let us quickly add, passing from the political to the literary: 'This immoderate career has inspired a most moderate book and yet, through the combined action of the artist and his subject, one most stimulating to the mind.'

GOETHE: MAN AND POET. *By H. W. Nevinson. London: James Nisbet & Co. 1931. 10s. 6d.*

(G. Lowes Dickinson in the *New Statesman and Nation*, London)

IF ANY Englishman who knows nothing of Goethe should wish to get an idea of what he was like he could not do better than read Mr. Nevinson's book. Goethe used to sigh over his Germans—their pedantry and their professorialism—and still, a hundred years later, we suffer from it. Reading their immense tomes about the poet I have had the uncomfortable impression of a huge corpse buried under washing bills. Goethe himself used to turn for relief, not unmixed perhaps with irony, to the 'practical' Englishman who visited Weimar and won the heart of his daughter-in-law. True, he laughed at Englishmen too; but he would not have laughed at Mr. Nevinson, who is not only a man of action, a Don Quixote

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of all good causes, experienced in adventure and in love, but also a devotee of all poetry and art that is sane and alive. He knows his Goethe through and through, though he does not parade his knowledge. He admires his hero, but he does not worship him, and can even laugh at him, which is the surest sign of a true appreciation. And that too Goethe would have liked; for though he was made into a god in his old age, he never wanted to snuff incense. His gravity and pomp were a protective coloring against importunate strangers. Touch his heart or his imagination, and the fires broke out through that crust of Olympian snow.

Mr. Nevinson starts his book with the prophecy of Carlyle written after Goethe's death a hundred years ago. 'The highest that can be said of written books is to be said of these. There is in them a new time, the prophecy and beginning of a new time. The corner-stone of a new edifice for man is laid there. Perhaps when Goethe has been read and meditated for another generation these prophecies will not seem so strange.' The century has lapsed, for the 22nd of March next is the anniversary of Goethe's death. How, then, does the prophecy now look?

I do not care to dogmatize, but I have my doubts, and I will venture here to set them down as they occur to me. Goethe, I should say, is less read and known now in England than he was in the earlier part of the nineteenth century. In part this may be due to the War. For in that spell of passion even Goethe did not escape, and professors, being too old to fight, did 'their bit' by explaining that the root of German Hunnishness was to be found in Goethe, the Hun poet. But the spell has passed, or nearly so, and if it has left its mark it is rather on the elderly than on the young; in the last ten years German has been studied again, and young men in Cambridge, and no doubt elsewhere, attend and understand lectures in that tongue. They read Goethe in the course of their studies. What, then, do they think of him?

Do they, to begin with, like his poetry? If they do, they certainly do not imitate it. No one who understands poetry would deny that Goethe was a great lyric poet. But lyric poetry like his is suspect to the young. It is not merely that they cannot write like that; they do not want to, any more than they want to write music like Mozart's or Schubert's. The fashion has changed.

Freudvoll und leidvoll
Gedankenvoll sein.

No! too abandoned and ecstatic. And even

Wer nie sein Brot mit Thränen ass

stops for the young with a jar when it comes to the phrase,—

Ihr himmlischen Mächte.

'But *Faust* at least?' 'Perhaps some parts of it. But the Gretchen scenes' (says my imaginary youth) 'are terribly sentimental and one is rather ashamed of being moved by them. Mephistopheles is good, yes. But all that philosophizing? I don't know. It leaves me cold. And when one comes to Part II—well, really! Of course, Goethe was an old man then. But there is a limit to pedantry, even in the old. And the symbolism! And the mysticism at the end! No. I'm sorry! That sort of thing does not appeal to us now!'

'What about the novels then?' 'Novels! Well, of course, the novel was in its infancy, and one ought not to expect too much. But do you ask us, who can read Virginia Woolf, to read *Wilhelm Meister*, and *Die Wahlverwandtschaften?* No! The less said about the novels the better.'

'I see you have not much use for Goethe as a man of letters. But consider him as a scientist.' 'A scientist?

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A philosopher, if you like, whatever that may be. But a scientist. No! Who can make anything of the *Urpflanze*, and who wants to? Does it exist or does it not? And if it does where is it, that I may dissect it? The intermaxillary bone? Yes, he had a good eye; but, of course, other people had discovered it before him. And, as to his theory of color, it was based on a willful misunderstanding of Newton. No, he had better have stuck to poetry.'

'Take him, then, as an administrator. Did he not give ten of the best years of his life to running the little state of Weimar?'

'Weimar? Yes! A little state of some 6,000 inhabitants, with an army of 600, which he reduced by half. What was he doing wasting his time there? Whatever he ought to have been it was n't an administrator.' (As indeed, it must be admitted, he said himself in later life.)

'Well, at least you will admit he was a lover!' 'Y-e-e-e-s. But rather a queer one. All that business with Frau von Stein. It does not seem to have been one thing or the other. And then, that whole year in Italy without any truck with women! Of course, I admit he made up for it in the second year, and he took a mistress at Weimar. But after that, what a lot of philandering! Minna, Mariana, Ulrike! And nothing doing with any of them, as far as I can make out. And then that about the *ewig Weibliche!* Mere Platonism! There was certainly something queer about him!'

Nothing then to be said for him? Rather, everything! For Goethe was a man, and a whole man. Not a specialist, not a tool, but what is almost unknown, except in the very greatest men (a Plato, a Leonardo), a living and devouring synthesis. Granted, if you like, that his poetry is out of fashion, his science out of date, the little state where he lived and worked no bigger than Athens, his loves as often frustrated as not. The fact remains that he was a man, as Napoleon, who was also a man, saw and expressed in the famous interview: 'Vous êtes un homme.' And by a 'man' I do not mean merely 'the ordinary sensual man,' though Goethe, among other things, was also that; nor the laborious man of science, though he was also that, for he was an untiring collector of facts as well as a synthesizer; nor a student, though he was also that, for the range of his reading was enormous; nor a philosopher, though he was also that; nor a man of the world, though he was also that. He was a master of life—a body beautiful, strong, and active; a mind sane and unconfined; a soul straining to its limits and beyond them; saint and sinner, realist and idealist, cynic and enthusiast, optimist and pessimist. Testing everything, recording everything, and always at first hand, he harvested a mass of experience such as few men have garnered, and departed with it at the ripe age of 83—into what? He did not know, but he did not believe it was annihilation. And even if (which I do not think) his poetry should ever be forgotten, he will be remembered for the maxims in which he crystallized his wisdom and of which some of the best are included in Mr. Nevinson's book.

What men are suffering from now is universal skepticism. It is idle to attempt to cure that by calling them back to the past. Those sirens always turn out in the end to be beasts of prey. We must go through and beyond, as Goethe did. There is nothing we have felt that he did not feel. He faced everything, endured everything, doubted, even despaired, but kept burning to the end that hope which is also a faith. His words on his deathbed, 'Light, more light,' were not intended symbolically; but if they had been they would have expressed the deepest truth about him. He lived for light, and he died in the hope of more light.

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LETTERS AND THE ARTS

Flaubert's Notebook

AN UNPUBLISHED manuscript of sixty-five pages of notes that Gustave Flaubert jotted down at various times was recently placed on sale in Paris. It was a part of the collection of the late Mme. Franklin-Grout, a niece of the author of *Madame Bovary*. Selections from the document, which *Le Figaro* has printed, depict Flaubert as one who pined for love, one who knew ecstasy and despair, and as a man distrustful of humankind. Some of his observations include:—

'Stoicism is the most sublime stupidity.

'Modesty is the proudest of our weaknesses.

'I don't expect anything good from men. No betrayal, no vulgarity on their part would surprise me.

'The only thing that distinguishes man from animals is that man eats when he is not hungry, drinks when he is not thirsty —thereby demonstrating his free will.

'There are people from whom a gesture, a single word, is enough to disgust us and fill us with repugnance.

'I like my dog better than any human being.

'Everything I do is for my own pleasure. If I write, it is in order that I may read the result. If I dress, it is in order to give myself a sense of well-being. I smile into mirrors to be agreeable to myself. This is the basis of all my actions. Has one a better friend than one's self?

'There is neither right nor wrong. We adopt ideas enthusiastically. Then we reflect. Then doubt steals in and remains.

'I like improvisation better than reflection, sentiment better than reason, mercy more than justice, religion above philosophy, the beautiful more than the useful, and poetry above all.

'What is the matter with me to-day? Is it satiety? Or desire? Illusions or aspirations? Ordinarily I am gay, but to-day my head is an empty aching. And I have n't been writing lately. I used to thrill at my own thoughts. I used to be able to write. I knew a poet's emotions, for, at least in my inner self, I was a poet. Oh, had I had a beautiful voice, how I should have sung! People would have laughed at me if they could have known how I admired myself. I remember, even at the age of ten I dreamed of the splendors of genius, of a great lighted room filled with applause. But now I am assailed by doubts. Oh, if you knew that anguish! If you but knew my vanity—what a savage vulture it is, how it eats out my heart! How alone I am, alone and defiant, jealous, egotistical. How beautiful the future was as I dreamed it. How I planned my life as if it were a novel. And how it hurt to renounce it, along with love. I said to myself: "When I am twenty, someone, no doubt, will love me; I shall have met someone, no matter whom, some woman, and I shall know that which, even to name it, makes the fibres of my heart tingle." Ah, if you have known caresses and tender looks other than those you paid for, pity me.'

More Light on Nietzsche

FOUR letters written during the past year by Frau Elisabeth Förster-Nietzsche to Dr. Paul Cohn of Guben form the basis of a new book about Nietzsche in reply to Dr. Erich Podach's *Nietzsches Zusammenbruch*, part of which appeared in The Living Age for September 1930. It was Dr. Podach's contention that Nietzsche split with Wagner because he was in love with the composer's wife, Cosima, but Dr. Cohn and Frau Förster-Nietzsche bring forth evidence to prove that Nietzsche not only never loved Cosima but also never lost his respect for her husband. Nietzsche's sister, Elisabeth, who nursed him from the time he went mad in January 1889 until his death in 1900 quotes him as having written to her in the winter of 1888: 'I have loved and honored Wagner more than any man, and had he not had the bad taste to make common cause with certain "spirits," his Wagnerian adherents, I should never have had any cause to part from him as long as

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he lived.' On another occasion he wrote: 'I have never loved and admired anything in the world as much as Wagner and his music. . . . Now, however, Wagnerism has had its day. Its effect is disastrous. Its followers should confess it, but they fail to do so. Instead, they become more fanatical, more confused, more Christian than all Europe. How everything has changed since the years, 1869–1872. Then I was a Wagnerite because of the considerable anti-Christian element in Wagner's art and style. But now I am the most disillusioned of all Wagnerites because, at the very moment when it was most appropriate to be a pagan, Wagner became a Christian. We Germans when we do treat serious things seriously are all of us scoffers and atheists. So was Wagner.'

Concerning her brother's alleged passion for Cosima Wagner, Frau Förster-Nietzsche wrote: 'Here I should like to say once and for all something against the utter absurdity of Dr. Podach's book, which falsely invests my brother with a lifelong passion for Cosima Wagner and draws the most preposterous conclusions from it. Podach supports his thesis with the few words that Nietzsche addressed to Cosima after his illness: "Ariadne, I love you. Dionysus," which Cosima related to me during a visit after my return from Paraguay. We then mentioned with emotion Hans von Bülow, for it was he who had given this name to Cosima.'

Dr. Podach's belief that Nietzsche had been in love with Cosima rested chiefly on the fact that after Nietzsche went mad he occasionally wrote or exclaimed that he represented Dionysus and Cosima Ariadne in the Theseus legend. But now Frau Förster-Nietzsche explains at great length that Von Bülow, Cosima's first husband, whom she deserted for Wagner, thought of himself as Theseus and of Wagner as the Dionysus for whom Cosima-Ariadne deserted Bülow-Theseus. She says: 'My brother was delighted because Bülow had raised his experience into the realm of the impersonal and mythological and showed his own noble character by proving that his reverence for Wagner remained unimpaired, a fact which my brother communicated to Wagner.' Evidently the idea is that since Nietzsche did not originally conceive of applying the Theseus legend to the Wagner household, he never really thought of himself as Dionysus. When he signed himself 'Dionysus' after he had lost his reason he was supposedly echoing the memory of Von Bülow's conception of the situation and not revealing himself as a would-be successor.

Frau Förster-Nietzsche also throws new light on her brother's last ten years. Not only did he exclaim whenever Wagner's name was mentioned, 'I always loved him, did n't I, sister?' but he also extolled the then youthful Kaiser because of his early opposition to anti-Semitism. Once, however, he characterized Wagner as the 'Genius of Falsehood' and himself as the 'Genius of Truth.'

Robinson Quixote

A YOUNG Spaniard with receding hair and large glasses has just accomplished the kind of *tour de force* we are accustomed to seeing in country newspaper offices but not in cities like Madrid. His name is Ernesto Giménez Caballero, but he calls himself 'the literary Robinson of Spain,' for, in the midst of the royalist shipwreck, he has swum ashore and established 'the indissoluble Republic of Myself.' In simpler words, this energetic Crusoe has twice got out a special edition, written entirely by himself, of the *Gaceta Literaria*, a Madrid literary paper of which he is an editor. These editions have been of sixteen pages each and have displayed considerable individuality in make-up, illustration, and variety of subject matter. The first issue contained a dedication, followed by interviews which Robinson had had with the editors of various newspapers, among them *El Sol*, which printed his first article in 1920. Then came character sketches of ambassadors who are authors—Américo Castro, Eugenio d'Ors, and Salvador de Madariaga, whom he calls 'cold, intellectual, the Anglo-Saxon of our literature . . . the Puritan . . . the ideal ambassador to the United States.' Some of the other features were a political forecast for Catalonia, comments on South American affairs, cinema reviews, book notes, two pages of poetry news, and a

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study of José Bergamín. These one-man-editions of the *Gaceta Literaria* will probably never make their star reporter as much money as the inventor of *Ballyhoo* has made, but they do represent the amazing versatility of a young man who has wandered everywhere, full of innocence, faith, courage, and enthusiasm, trying his hand at many enterprises.

Señor Caballero's real specialty is attacking modern architecture, and those of us who have seen roadside stands shaped like ice-cream freezers will sympathize with his objections. 'I don't know why,' he writes, 'but this functional architecture that is invading and crushing us gives me a distinct *malaise*. Who would have thought three years ago when steel chairs first appeared in our offices that all this cubism, this Le-Corbusierism, would follow? When I first made friends with our young architects,—Mercadal, Aizpurúa, and Domínguez,—I thought I was entering a new world. But now their architecture produces in me only repugnance and contempt. These pastry shops shaped like ships! These underwear stores that are built like airplanes! Cubist architecture, like Gothic, was born in Gallo-German countries, in rainy climates. But it drew its inspiration from ancient ruins around the Mediterranean. The architects of the *Bauhaus* found their models in the square houses of Africa and the Greco-Roman world. Just as the Spaniard, Picasso, created a new style of painting, so the houses of Seville and Tetuán are the matrices of this functional architecture that Germans, Swiss, and Frenchmen have transformed to suit their northern climates. Was it a transformation, or did they simply leave off the stucco and put glass in its place? Maybe it's my national dignity or simply my anti-functionalism, but this "new architecture" seems to me as old as that of Churriguera, the eighteenth-century builder of the cathedral in Valladolid.'

Persecuted Brandes

WRITING in the *Tage-Buch* of Berlin, an anonymous reviewer of a new life of Georg Brandes by Henri Nathansen entitled *Jew or European, a Portrait of Georg Brandes*, quotes a letter that he received from the late Danish critic in 1924. Nathansen, who knew Brandes well, said that his 'nature belonged to Judea, but his spirit belonged to Hellas,' and his book shows the constant conflict that went on in Brandes's soul between his Hellenic love of life and his Jewish conscientiousness. Brandes himself always denied that there was any such thing as the Jewish race, but the letter that his reviewer makes public for the first time shows that Brandes at any rate possessed the sensitiveness usually associated with his kind, plus a youthful heart and a humorous frame of mind, all of which remained with him during his old age. Here is the letter:—

My dear Doctor:—

I had your interesting essay translated into Danish and sent to the paper, *Politiken*. The editor-in-chief simply threw it into the waste-paper basket; I beg you therefore not to wait for publication in Scandinavia, but rather to dispose of the article in some other manner.

I suspected this would happen in the first place, and I am astonished at your naïveté in trusting to my influence here.

Allow me to give you a short discourse. First of all, men over eighty years old have no influence in their native lands. Secondly, as far as I know, no Danish paper has ever said anything good about me or paid any attention to me.

It is true that I founded *Politiken* myself (forty years ago), and in foreign countries the paper is known only through the fact that I sometimes write for it. Yet, during the War and after the peace, the paper refused to publish my articles; during the last month it declined a religious-philosophical article I had submitted. I cannot write for any other publications besides *Politiken*, since they all abuse me.

I allowed your article to be translated with a clear conscience. There were a few words of praise in it for me—that, in itself, was imprudent; yet I did not want to omit them, since they stand to your account. But is it possible that you are inexperienced enough to think that the foreign-policy editors of a great newspaper here would not prevent this article from being brought to light?

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Here I am used only for advertising, being otherwise regarded as highly troublesome; and, as I am eighty-three years old, all northern newspapers keep an obituary ready for the press. They hope to use it as soon as possible.

This is my meagre success.

Very truly yours,

GEORG BRANDES

DID MARSHAL NEY ESCAPE?

EARLY one December morning in 1815 a firing squad of twelve men was called to attention in the Luxembourg Gardens. Before them, with unbandaged eyes, his back against a wall, stood Michel Ney, 46-year-old marshal of France for whose blood the Royalists had been calling all that long autumn. When Napoleon escaped from Elba, Ney had lead Royalist troops against his former emperor but had impulsively joined him, and now the King's friends were demanding the traitor's life. Five thousand persons scrambled for seats in the gallery to see him die. They hated to remember that the son of a Saarlouis barrel-maker had perhaps held their fate in his hands during those agonizing June days when Waterloo was being fought. And history says that when shots broke the stillness Ney's body fell to the earth, where it was immediately covered with a sheet.

But from Omaha, Nebraska, more than a hundred years later, comes a story to *L'Ouest-Éclair* that tells of a different ending. This story asserts that the last man to recross the frontier on the retreat from Moscow did not die as is commonly believed. Like the tale that would have us believe that Napoleon, Pierre Laffitte, and John Paul Jones lie in adjacent graves near New Orleans, this story says that Marshal Ney came to America. The author claims to be a nephew of the Marshal and he tells the story just as his son, Virgile Michel Ney, is enlisting in an American regiment. Marshal Ney, he relates, was told before he left the prison that Wellington and Louis XVIII wished he had never let himself be arrested, but that since it was impossible to pardon him because of public clamor they would connive at his escape. Ney therefore whispered to the former comrades in arms who made up his firing squad; they aimed high, and the bullets went over his head.

Two days later, Ney and a Corsican friend named Pascal Luciani, accompanied by Count Charles Lefèbvre-Desnouette, boarded a ship about to leave France. They disembarked in the United States, where Luciani is said to have become a rich industrialist in Philadelphia. Ney took the name of Peter Stewart Ney and became a teacher of French in the schools of Virginia and North Carolina. For thirty years the old soldier led this peaceful life and was often visited by his brother, the grandfather of our Omaha nephew. On November 15, 1846, Ney died. At his bedside were five witnesses who, when Dr. Matthew Locke advised him that the end was near and questioned him about his real identity, heard him say: 'Je suis Michel Ney, maréchal de France.'

Someone really should check up on this story. Perhaps Osborne, North Carolina, where Ney is supposed to have died, will yield a revealing epitaph as a footnote to history. No one, of course, can prove that the Ney who died in 1846 is the self-same Ney whose advice Napoleon accepted at Waterloo, but someone might go peering about at any walls left in the Luxembourg Gardens to see if there are twelve bullet holes higher than a man's head.

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AS OTHERS SEE US

AGAINST THE *Saturday Evening Post*

WRITING from New York, Dr. Rosie Graefenberg, a contributor to the *Tage-Buch*, Berlin radical weekly, attacks the *Saturday Evening Post* of October 17 in general and Garet Garrett's article, *As Noble Lenders*, in particular. Here is her whole complaint:—

The *Saturday Evening Post* appears every week in an edition of three million copies. Its cheerful cover announces that it was founded in 1728 by Benjamin Franklin. The *Saturday Evening Post* prints serial novels, short stories, and political and economic essays. The political articles are illustrated with photographs and the novels and short stories with drawings that we should consider cheap. Nevertheless, the greatest American authors, writers, and journalists contribute to the magazine, for the *Saturday Evening Post* offers a unique medium through which the widest middle-class group, especially the provincial middle class, can be reached. No magazine in Europe has such a circulation. Since it is a family journal, the *Saturday Evening Post* must reach about six million readers. In other words, six million Americans regard the questions of the day as the *Saturday Evening Post* interprets them.

Its issue of October 17th opens with a story by Sinclair Lewis, *Dollar Chasers*, a satire on a second-rate English journalist who makes a lecture tour through the States convinced that this barbaric country is eager to hear from him what culture really is and to reward him in dollars. Unperturbed by his first impressions of New York, which turn out to be very different from what he had imagined, he tells his audiences a lot of unpleasant things that they have already heard from other Europeans about America's materialism and lack of education. Finally, he makes still more money with a book about all this barbarism which he never really found but which he thought he would find. Sinclair Lewis, who is passionately interested in the problems of American civilization, makes this a witty satire on the provincial Babbitts who bow down to every false Messiah from Europe.

The second article in the issue is by Garet Garrett, and is entitled *As Noble Lenders*. In this article Garet Garrett maintains that Americans are paying to save Europe and that this salvation is actually a fiction. He demonstrates that Hoover's generous gesture was not considered generous in Europe and describes the tragi-comedy of the July crisis, the tragi-comedy of the Hoover Moratorium that came five minutes too late with its little burst of hope followed by a universal headache. It is all done pathetically, unsentimentally, and with great realistic clearness. He discovers that the Americans lend their money in an undisciplined, shortsighted way and that their European debtors accept it light-heartedly, without feeling any responsibility.

Six million holders of German securities have had this conclusion thought out for them: 'American credit had twice saved Germany—once for herself and once for the sake of Europe—and now it had helped to save the Bank of England—all in less than three months. And the cost had been, roughly, $1,250,000,000.' Later on comes this statement: 'Counting our own direct war expenditures, the war loans, the post-Armistice loans, and then the private lending since, Europe has cost us more than $40,000,000,000 in less than fifteen years. That sum would have represented one-fifth of our total national wealth in the year 1914.' All these sacrifices were made, he continues, in order to save Europe. And what happened? 'An ugly debtor mentality.' 'European borrowers became utterly reckless. Besides using American credit to pay reparations and war debts and doles, they used it to increase their industrial equipment beyond their needs, beyond the capacity of the world's markets to absorb their goods. They used it for such purposes as we should not have dared ourselves to

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use it for in our own country.' And, finally, Garet Garrett asserts that Europe will not disappear from the face of the earth provided America refuses to lend more money. It will be forced to live within its means. Is that so bad? Not at all. It is only right and normal, for loans simply make enemies.

Have we, he asks, solved a single European problem with our credits? Not a one. We have simply placed Europe in the position of not being able to solve its problems. We have given it the illusion that credit in itself is the solution. That is the illusion of every prodigal debtor. Europe 'has not solved the first problem of all, which is how to live at peace with herself.' Here is his last word: 'All the conditions are present under which people perform colossal works to rest their future on—namely, surplus labor, surplus food, surplus materials, surplus credit. Yet where are these colossal works of our own, or any idea of them?' The whole article is illustrated with photographs that cause six million readers to reflect, as they look at them, that these foreigners are all living on American money.

Then come love stories and the editorial page. This is divided into three parts. The first editorial is entitled *Wilson Was Wrong*. Why? Because he let himself be involved in European politics. That was a mistake. Then came the bankers, who got involved in European economics. They, too, would have done better to have let such things alone. For Americans are now as beloved in Europe as anybody is who pays more attention to other people's business than to his own. 'Hands off Europe' is the conclusion, and six million readers nod approval.

The *Saturday Evening Post* is an optimistic magazine, otherwise it would not have such a large circulation in America. Nevertheless it dares to tell its readers that America's foreign and banking policies have been fundamentally wrong and that these policies must be changed. How is that possible? That is not touched upon. Here we see only the opinion of six million American bourgeois readers who really edit the magazine themselves. We are always inclined to cherish false ideas and to blame everything on the French. Even if I did not know from unimpeachable sources that this copy of the *Saturday Evening Post* has been received with the most tremendous enthusiasm, I should have been able to tell from many conversations that I have had here in New York that the slogan, 'Hands off Europe,' is a cry from the heart of the American bourgeois.

Debunking America

MISS SHEILAH GRAHAM, an English authoress of twenty-five who is pretty, has come back from a visit to the United States very much disillusioned. Here are some of her opinions of America as expounded in the columns of the Laborite *Daily Herald:*—

I am twenty-five years of age, and, ever since I can remember, the United States of America has blared through a megaphone of superiority the story of her hundred per cent efficiency to a listening and credulous world. The urge to wallow in and taste deeply of this hundred per cent perfection proved too much for me; I went, I saw, and I was sadly disillusioned!

I am going to explode the myth of the American business man: he is not the creature of hustling activity we have been led to believe. True, he leaves his home in the morning at a much earlier hour than does the Englishman, and perhaps returns to it much later in the evening, but it is not his office that makes him an early riser. Every barber's shop in every business section in America is cram full of men between the hours of 8.30 and 9.30; men who are idly gossiping on every topic under the sun from the latest crash on Wall Street to the scores of their favorite baseball players.

I found that, however busy was the appearance of the American man in his office, he was always quite ready and willing to put his work aside and talk to callers. All good American business men call at their clubs after the office is closed, and talk, and talk again. Oh, how they love the sound of their voices!

Prohibition is responsible for the dearth of good restaurants in America. Even though a blind eye is turned upon patrons who bring their own liquor, no good place

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dare jeopardize its existence by the profit-adding sale of alcohol. Consequently, the running of such an establishment, with its small, meagre-yielding profit, holds no attraction for the average 'get-rich-quick' American. Only in the 'speakeasies,' with their lavishly stocked cellars, can one be certain of obtaining good food.

On my return to England I realized with a glow of satisfaction that, despite our national bashfulness at self-advertising, we need not suffer from an inferiority complex when comparing our country with noisily acclaimed America.

Back to Europe

FIRMIN ROZ, author of a history of the United States for French readers, is now rejoicing because he believes that the world crisis has brought America back to Europe, where it belongs. Here is his line of argument:—

During the War the Americans saw the situation very clearly. After three years and a half of an increasingly threatened neutrality that finally became impossible, they understood who was responsible for the War and why they, too, should enter. They recognized the necessity of crushing Germany's plan and became convinced that a similar catastrophe of such unprecedented magnitude must not recur. I have often pointed out that American public opinion is the most sane in the world in that it is possessed with the desire to see clearly and to know the truth. It demands only one thing, to have matters explained. When it has understood the issue it is ready for anything and the people at once rise to the circumstances and duties they have imposed on themselves. President Wilson finally declared the truth to his fellow citizens. Numberless volunteers—professors, publicists, and ministers of various religions—put themselves in his service to expound the truth, and once the people understood they arose as one man.

Having entered shortly before the tremendous Allied triumph, the Americans soon found themselves faced with the unfortunate Armistice and with the difficult task of drawing up treaties. The tremendous gusto that had brought America into the War was shattered by party prejudice. Fatal errors and quarrels hampered the country and damaged its personal prosperity and the cause of peace in general. More errors and quarrels were born and developed under the double influence of party rivalry and a traditional foreign policy that was once very wise but that is out of date to-day. The Republican Party, which had been awkwardly and unjustly ignored by President Wilson during the War and during the peace negotiations, was chiefly occupied in getting its revenge and at the same time flattered itself that it was leading the country back to its true attitude toward Europe. According to the leaders of this party, the thing to do was to return to the conventional line of conduct, to go back to the splendid isolation that had been urged by the fathers of the country, by Washington and Jefferson, although conditions had completely changed since their day. It was as if the policy of a very modern nation of a hundred and twenty million inhabitants could possibly be the same as the policy of a newborn people, composed of four or five million individuals. Finally, the War itself had clearly proved how impossible it was for nations in the New World, especially the largest of them all, to remain aloof from European upheavals.

Such an illusion, such a mistake will, I believe, amaze future history. It has contributed largely to the difficulties of the present time. But it seems that the same forces that impelled America on to the right road when it entered the War have again become imperious and will lead it back again. Illusion and error have born fruit, bitter fruit, and people are beginning to understand that they may be mortal. French intelligence, which is more inclined to analyze causes and foresee consequences, which is more familiar with European difficulties and European psychology, has never failed to recognize the peril clearly and has made every effort to conjure it away. But we could do nothing alone. The great weakness of the Anglo-Saxon nations is that they do not envisage consequences until they occur. Their great strength is that they face consequences courageously and exert

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all their efforts to overcome them. That is what they did during the War, later than they should have done. This, too, is what England is now attempting under difficult, not to say insurmountable, circumstances. And, finally, the United States seems to be adapting its policy of peace to the cruel necessities of the present crisis.

Rivaling America

WRITING in the *Weltbühne* of Berlin, a radical weekly whose editor was recently sent to jail for a year and a half because he revealed Germany's excessive expenditures on armaments, Felix Stössinger reviews a remarkable new book on America. The author, Charlotte Lütkens, is a complete Socialist, and she asserts that the United States has now been exposed to all the world as an economic failure. The title of her work is *Staat und Gesellschaft in Amerika* and it has been published by the Mohr Verlag of Tübingen.

For three years I have recommended André Siegfried's book on the United States to everyone as the most complete work on the subject. Clearly and entertainingly written, as only Frenchmen know how to write, and full of that race's instinct for essentials, it is an astounding sociological study, equaled only by Siegfried's new book on the English crisis. This book on America has met with world-wide success, and has even enjoyed the fame of having been burned at the stake by the Ku Klux Klan.

Therefore I can say nothing better of Charlotte Lütkens book entitled *State and Society in America* than that it seems informative and absorbing even after reading Siegfried. Everyone who is sick of the toadyism which, with few exceptions, dominates all German literature on America will welcome Fräulein Lütkens's candid, intelligent, and penetrating criticism, which, it is to be hoped, will release us from this attitude.

As would be expected of a good Socialist, Fräulein Lütkens has written a book not against a land or a people but against a condition. Her analysis proves what her foreword promises, that hope in Americanism, like fear of it, springs from a misunderstanding. Americanism enjoys only limited control over a remarkable technical equipment. There never was any question of economic rationalization amounting to a rationalization of production. American capitalism possesses twentieth-century technique, but its ideas are largely eighteenth century. It is a false, pseudo-neo-capitalism, apparently excessively liberal-democratic, but really the prisoner of its liberal principles. American prosperity was a typical exploiters' boom occurring at the expense of the worker, the farmer, and the foreigner. Charlotte Lütkens says that it requires all the overoptimistic faith of the European observer in mechanistic liberal progress to believe in the stability and perfection of the American social structure after one has glanced at the actual condition of agriculture and labor. American society has not yet produced the typical capitalistic opposition between capital and labor. The economic structure is still dominated by the opposition between city and country and by primitive, antediluvian ideas. A corrupt federalism obstructs social and economic measures. By bringing suit before the Supreme Court, the real head of the Union, any business man can have annulled as unconstitutional social laws that lessen his profits. The judiciary and the legislature thwart and neutralize each other.

Fear of America is past now that the Yankee can no longer conceal that he too is suffering from bankruptcy, unemployment, and overproduction. But it is not a question of proving that America's hitherto unquestioned predominance is now in a precarious position. All this is useful simply to convince the continental European states that they can be freed from Anglo-Saxon arbitration only by their own efforts. The belief that the world is entering an American era comparable to the Babylonian, Egyptian, or Roman era has been abandoned. Only two people still hold it—Babbitt and Count Keyserling. France has never let herself be fooled by Americanism and has remained inwardly free from it. This inner liberation is now about to take place in Germany.

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THE GUIDE POST
(*Continued*)

lem of European civilization is to prevent the peasants of Central and Eastern Europe from falling to the level of Chinese and Negroes. Hans Zehrer, who has been visiting the Balkans, is more afraid that they will fall victim to Russia unless Germany is allowed to exploit them. If the past twelve years have proved anything at all, they have certainly demonstrated the utter inability of France to manage Eastern Europe via Poland and the Little Entente, and no recovery can come to the world at large until this portion of it is allowed to develop naturally. By shutting off Germany from its southeastern neighbors, France is making the Balkans safe for Bolshevism. All of which is a necessary introduction to our two articles on 'Europe's Darkest Corner.'

LAST month a British Communist of partly Indian descent presented a sweeping analysis of Britain's future. This month a more perspicacious Frenchman, Francis Delaisi, traces Britain's economic history from Queen Elizabeth's time to the present and concludes that the fall of the pound marked the fall of the British Empire. But he does not believe that the future of England has to be a dark one. He gives much the same advice that Professor Cassel does and says that the way out for England is not to become a poor, self-contained nation of shopkeepers but to assume, as her traditions and experience fit her to do, the financial leadership of Europe. If the British should be able to act on M. Delaisi's suggestion, the United States, with its huge gold reserves that have been so disastrously mismanaged, would find itself out in the cold.

ONE of the few times when it was really worth living in New York was last winter while Noel Coward was playing here in *Private Lives*. As Mr. Macdonell points out in his essay, Coward is the first man since Shaw and Disraeli who has completely conquered England, but, unlike them, he is of British, not foreign blood. At the age of thirty-one he has turned out an impressive variety of plays, operettes, and music and at the same time has established himself as a performer of the first rank. Mr. Macdonell provides a history of his amazing achievements over the past ten years, stopping just short of his last play, *Cavalcade*, which was described in our 'Letters and the Arts' department last month.

ON THE theory that our readers are as weary as we are of hearing the legal aspects of the Chinese and Japanese struggle enlarged upon, we are presenting what we regard as a far more significant article on modern Japan than a purely political piece. We have emphasized in our editorial columns that Japanese social life is undergoing a profound though still peaceful revolution, and Maria Piper, a German lady writing from Tokyo, explains exactly what this revolution amounts to. The women, it seems, and the young people are discovering a new world that has been made available to them by European technique, and even the men are coming to prefer European ways. The older generation, which was chiefly responsible for the Manchurian adventure in the first place, still clings to power, but it is slipping all the time. The future of Japan will not be decided on the Asiatic mainland but at home. The nation's abandonment of the gold standard shows which way the wind is blowing.

THE Moscow correspondent of the *Frankfurter Zeitung* develops the familiar theme that Bolshevism is essentially a religion. But he makes out such a good case that capitalistic nations need not feel complacent about their economic superiority. Neither Europe nor Russia lives by bread alone, and the question is whether the spiritual food of nationalism is more nourishing than the spiritual food of Communism. For a further discussion of the same problem we refer our readers to a review of Count R. N. Coudenhove-Kalergi's latest book, *Stalin & Co.*, in our 'Books Abroad' department.

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WAR AND PEACE

ALL statesmen and officials responsible for the outbreak of hostilities should be included in the first detachments sent to the front. If I were dictator I should like to extend something of the same obligation to those concerned in the manufacture of armaments.—*Lord D'Abernon, former British Ambassador to Germany.*

Our government and people do not regard the present situation in Manchuria as one of war, nor one that is likely to lead to war. If we did, we should have far more troops there.—*Katsuji Debuchi, Japanese Ambassador to the United States.*

While the situation in Manchuria is a matter of deep concern in the Soviet Union, I can say emphatically that the Soviet Government intends to adhere to its policy of peace.—*Boris E. Skvirski, director of the Soviet Information Bureau in the United States.*

Disarmament without a guarantee of safety would be a danger for the whole world.—*Paul Painlevé, former French Premier and Minister of War.*

How can one talk of European reconstruction unless there are modified some clauses of some peace treaties that have pushed whole peoples to the brink of material disaster and moral desperation?—*Benito Mussolini.*

Between the members of the League there is no disagreement about the attempt to sick Japan onto the Soviet Union, and vice versa. In this criminally provocative game, the American and French bourgeoisie are playing a particularly foul rôle. Washington and Paris are the centres of this provocative campaign.—'*Pravda,*' *Moscow daily.*

Though I am a pacifist I am a patriot. So long as there are fools at large we shall vote credits for national defense.—*Edouard Herriot, former Radical Socialist Premier of France.*

What I fear is that the slender thread I have again built up of coöperation with the British nation and the British ministers is about to snap and that I shall again declare myself a convinced noncoöperator and civil resister; that I shall redeliver this message of civil resistance to the millions of India, no matter how many war balloons may float over India or how many tanks may be brought to India.—*M. K. Gandhi.*

Throughout the world we have to call upon our statesmen, politicians, financiers, and big industrial leaders to get together and get on with the unifying controls that the situation demands. We want them to stop bickering among themselves and serve the common interests of mankind. We are sick of foreign policies that were invented one hundred years ago. The governments of the United States, the British Empire, France, and the rest of them have to produce a world plan. Our affairs cannot be put in order without it. Either world plan or disaster.

We want a world plan to simplify money and exchange, to conserve the resources of our planet, to sweep away the stupidity of warfare, to organize our resources for still greater scientific and material achievements. That world plan would be the Magna Charta of a new era. Mankind has a legitimate claim upon those who are set in authority that such a plan be made. It is common-sense politics to insist that this difficult task be undertaken and carried through. —*H. G. Wells.*

What is behind all this campaign to-day in favor of disarmament? In replying we must call a spade a spade. This campaign is purely and simply of German manufacture.—'*Journal des Débats,*' *Paris Conservative Daily, organ of the French heavy industries.*

Relying on a general disarmament, as stipulated by the Treaty of Versailles, Germany, in good faith, disarmed completely. Her utter defenselessness in the midst of nations who are more strongly armed than in 1914 is one of the greatest dangers to European peace. In view of the conditions to the east of Germany, the situation is becoming more and more unbearable.—*Alfred Hugenberg, German press lord.*

The state should be our servant; we should not be slaves of the state. The state violates this precept when it forces us to perform military service, especially when this servile employment has for its purpose the destruction of men of other countries or the infringement of their freedom.—*Albert Einstein.*

Peace is the product of preparedness for defense, the patient settlement of controversy, and the dynamic development of the forces of good will. It is the result of the delicate balance of that realism born of human experience and of idealism born of the highest of human aspirations for international justice.—*Herbert Hoover.*

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